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Union Bank, N.A. v. North Idaho Resorts Clerk's Record v. 2 Dckt. 42467

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IN THE SUPREME COURT OF THE STATE OF IDAHO
SUPREME COURT NO. 42467-2014
BONNER COUNTY CV2011-0135

UNION BANK, N.A., a national banking association,
Plaintiff-Respondent,

v.

NORTH IDAHO RESORTS, LLC, an Idaho limited liability company
Defendant-Appellant,

and

PEND OREILLE BONNER DEVELOPMENT, LLC, a Nevada limited liability company, JV, L.L.C. an Idaho limited liability company, DAN JACOBSON, an individual, SAGE HOLDINGS LLC, an Idaho limited liability company, TIMBERLINE INVESTMENTS, LLC, an Idaho limited liability company, STEVEN G. LAZAR, an individual, AMY KORENGUT, an individual, HLT REAL ESTATE LLC, PANHANDLE STATE BANK, an Idaho corporation, R.E. LOANS, LLC, a California limited liability company, WELLS FARGO CAPITAL FINANCE, LLC, a Delaware limited liability company, PEND OREILLE BONNER DEVELOPMENT HOLDINGS, INC., a Nevada corporation, PENSICO TRUST CO. custodian f/b/a Barney Ng, a California corporation, B-K LIGHTING, INC., a California corporation, FREDERICK J. GRANT, an individual, CHRISTINE GRANT, an individual, RUSS CAPITAL GROUP, LLC, an Arizona Limited liability company, JOSEPH DUSSICH, an individual, MOUNTAIN WEST BANK, an Idaho corporation, STATE OF IDAHO, DEPARTMENT OF REVENUE AND TAXATION, MONTAHENO INVESTMENTS, LLC, a Nevada limited liability company, TOYON INVESTMENTS, LLC, a Nevada limited liability company, CHARLES W. REEVES and ANNE B. REEVES, husband and wife, ACI NORTHWEST, INC., an Idaho corporation, and DOES 1 through 20, inclusive,
Defendants.

Appealed from the First Judicial District, Bonner County, Idaho

HONORABLE MICHAEL J. GRIFFIN, presiding
District Judge

Susan P. Weeks, 1626 Lincoln Way, Coeur d'Alene, ID 83814 – Attorney for Appellant / North Idaho Resort

Gary A. Finney, 120 E. Lake St., Ste 317, Sandpoint, ID 83864 – Attorney for Appellant / JV LLC

John E. Miller, 1424 E. Sherman Ave., Ste. 500, Coeur d'Alene, ID 83814 – Attorney for Respondent

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Court Minutes for Motion for Attorney Fees held on Oct. 20, 2014	Vol. VIII - p. 1795
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Defendant North Idaho Resort, LLC’s Motion for Enlargement of Time filed July 30, 2014	Vol. VIII – p. 1741
Defendant North Idaho Resorts, LLC Response to Plaintiff’s Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change filed January 28, 2013	Vol. III – p. 695
Defendant’s Dan S. Jacobson, Sage Holdings, LLC, and Steven G. Lazar’s Answer to North Idaho Resorts, LLC’s Cross-Claim filed April 9, 2014	Vol. VII – p. 1523
Defendants Dan S. Jacobson, Sage Holdings LLC, and Steven G. Lazar’s Designation of Witnesses and Exhibits April 30, 2014	Vol. VII – p. 1566
Disclaimer filed August 9, 2012	Vol. III – p. 636
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JV LLC’s Answer to North Idaho Resorts, LLC’s Cross-Claim filed May 8, 2014	Vol. VII – p. 1589
JV LLC’s Objection and Motion to Set Aside the Court’s Letter to Counsel, Dated April 30, 2014 and Motion to Reconsider filed May 9, 2014	Vol. VIII – p. 1657
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JV, LLC's Motion to Deny Plaintiff's Motion for Enlargement of Time, and JV, LLC's Objection and Motion to Disallow Plaintiff's Memorandum of Attorney's Fees and Costs as Related to JV, LLC filed January 30, 2014	Vol. VII – p. 1492
JV, LLC's Motion to Deny Plaintiff's Supplemental Memorandum of Attorney's Fees and Costs as to Defendant, JV, LLC, and JV, LLC's Objection and Motion to Disallow Plaintiff's Supplemental memorandum of Attorney's Fees and Costs as Related to JV, LLC filed February 18, 2014	Vol. VII – p. 1495
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Order Approving Stipulation filed May 6, 2014	Vol. VII – p. 1579
Order Conditionally Dismissing Appeal filed Sept. 17, 2014	Vol. VIII – p. 1776
Order Consolidating Appeals for Clerk’s Record & Reporter’s Transcript Only filed December 30, 2014	Vol. VIII – p. 1829
Order Denying Attorney Fees filed July 15, 2014	Vol. VIII – p. 1733
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Order Denying Motion for Judgment on the Pleadings filed May 1, 2013	Vol. IV – p. 927
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Order for Entry of Default (Only Joseph Dussich) filed Aug. 27, 2012	Vol. III - p. 647
Order for Entry of Default (Only Pensco Trust Co.) filed August 27, 2012	Vol. III - p. 650
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Order for Hearing Re: JV, LLC's Motion to Alter/ Reconsider filed December 9, 2013	Vol. VII - p. 1470
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Order Granting Motion to Strike Demand for Jury filed Oct. 15, 2012	Vol. III – p. 673
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Order Granting Plaintiffs Motion to Appear Telephonically at its Motions Calendared for Hearing on September 20, 2012 at 4:00 PM filed August 30, 2012	Vol. III – p. 665
Order Granting Plaintiffs Motion to Appear Telephonically at its Motions Calendared for Hearing on January 31, 2013 at 10:30 AM filed January 16, 2013	Vol. III – p. 692
Order Granting Plaintiffs Motion to Appear Telephonically at JV, LLC's Motion Calendared for Hearing on April 19, 2012 at 11:00 AM filed April 16, 2013	Vol. IV – p. 831
Order Granting Plaintiffs Motion to Appear Telephonically at Plaintiff's Motions for Partial Summary Judgment Calendared for Hearing on July 29, 2013 at 9:30 AM filed July 2, 2013	Vol. V – p. 1106
Order Granting R.E. Loans, LLC's Motion for Telephonic Appearance filed May 23, 2012	Vol. II – p. 370
Order Granting Second Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change filed February 4, 2013	Vol. III – p. 702
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Pacific Capital Bank, N.A.'s Reply to Counter Claim by JV, LLC filed July 9, 2012	Vol. III - p. 623
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Plaintiff's Motion in Limine for Evidence Exclusion Order filed May 1, 2014	Vol. VII - p. 1569
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Plaintiff's Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change filed Aug. 29, 2012	Vol. III – p. 653
Plaintiff's Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change filed Jan. 14, 2013	Vol. III – p. 682
Plaintiff's Motion to Strike Demand for Jury Trial by Counterclaimant, JV, LLC filed August 30, 2012	Vol. III – p. 668
Plaintiff's Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re Reformation and Priority filed July 1, 2013	Vol. IV – p. 940
Plaintiff's Preliminary Opposition to Motion to Alter and Amend Order Granting Partial Summary Judgment and Motion to Reconsider by JV, LLC filed September 30, 2013.....	Vol. VII – p. 1460
Plaintiff's Reply Memorandum to Defendant JV, LLC's Opposition to Plaintiff's Motion for Partial Summary Judgment filed July 23, 2013	Vol. VI – p. 1310
Plaintiff's Reply to Motion and Objection Submitted by JV, LLC on February 18, 2014 filed February 20, 2014	Vol. VII – p. 1500
Plaintiff's Third Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change filed September 9, 2014	Vol. VIII – p. 1769
Plaintiff's Written Objections to Presented Evidence by JV, LLC filed December 16, 2013	Vol. VII – p. 1472
Plaintiffs Motion to Allow the Parties to Appear Telephonically at Plaintiff's Motions Calendared for Hearing on September 20, 212 at 4:00 PM filed August 29, 2012	Vol. III – p. 662
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R.E. Loans, LLC’s Answer to JV, LLC’s Cross-Claim filed Apr. 26, 2013	Vol. IV – p. 844
R.E. Loans, LLC’s Answer to North Idaho Resorts, LLC’s Cross-Claim and Cross-Claim Against North Idaho Resorts, LLC filed Apr. 29, 2013	Vol. IV – p. 857
R.E. Loans, LLC’s Conditional Objection to Pacific Capital Bank, N.A.’s Request to Lift the Stay Order filed May 23, 2012	Vol. II – p. 373
R.E. Loans, LLC’s Motion for Partial Summary Judgment Against North Idaho Resorts, LLC filed July 18, 2013	Vol. VI – p. 1304
R.E. Loans, LLC’s Motion for Telephonic Appearance filed May 14, 2012	Vol. II – p. 362
R.E. Loans, LLC’s Request for Judicial Notice Pursuant to IRE 201(b) filed July 18, 2013	Vol. VI – p. 1307
R.E. Loans, LLC’s Response to Request for Trial Setting filed December 2, 2013	Vol. VII – p. 1463
Request for Judicial Notice filed May 9, 2014	Vol. VIII – p. 1664
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Second Order Conditionally Dismissing Appeal filed October 27, 2014	Vol. VIII – p. 1804
Statement of No Objection filed September 29, 2014	Vol. VIII – p. 1790
Stay Order (re: Mortgage Fund ’08, LLC) filed Sept. 28, 2011	Vol. II – p. 321
Stay Order (re: R.E. Loans, LLC) filed September 28, 2011	Vol. II – p. 327
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Stipulation as to Claims of North Idaho Resorts, LLC Against R.E. Loans, LLC filed August 20, 2013	Vol. VI - p. 1328
Stipulation Re: Priorities Between Pacific Capital Bank, N.A. and R.E. Loans, LLC filed August 9, 2012	Vol. III - p. 631
Stipulation Re: Priorities Between Pacific Capital Bank, N.A., and Dan S. Jacobson, Sage Holdings LLC, and Steven G. Lazar filed Aug. 27, 2012	Vol. III - p. 639
Stipulation Re: Priorities Between Pacific Capital Bank, N.A., and Mountain West Bank filed August 27, 2012	Vol. III - p. 643
Stipulation Re: Priorities Between Union Bank, N.A., and ACI Northwest, Inc. filed May 28, 2013	Vol. IV - p. 936
Stipulation to Continue Trial filed September 27, 2013	Vol. VII - p. 1451
Summary Judgment as to JV, LLC filed September 19, 2014	Vol. VIII - p. 1778
Summons (copy to file) issued January 28, 2011	Vol. I - p. 105
Supplemental Affidavit of Rick Lynskey in Support of Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re Reformation and Priority filed July 1, 2013	Vol. V - p. 1083
Table of Contents	Vol. I - p. 4, Vol. II - p. 217, Vol. III - p. 542, Vol. IV - p. 754, Vol. V -p. 966, Vol. VI - p. 1169, Vol. VII - p. 1390 and Vol. VIII - p. 1596
Witness List filed April 28, 2014	Vol. VII - p. 1548

Case: CV-2011-0000135 Current Judge: Idaho Supreme Court
 MUFG Union Bank N.A. vs. Pend Oreille Bonner Development, LLC, etal.

Date	Code	User	Judge
1/28/2011	NCOC	BOWERS	New Case Filed - Other Claims Steve Verby
	APER	BOWERS	Plaintiff: Pacific Capital Bank, N.A. Appearance John E. Miller Steve Verby
		BOWERS	Filing: A - All initial civil case filings of any type not listed in categories B-H, or the other A listings below Paid by: Miller, John E. (attorney for Pacific Capital Bank, N.A.) Receipt number: 0450827 Dated: 1/28/2011 Amount: \$88.00 (Check) For: Pacific Capital Bank, N.A. (plaintiff) Steve Verby
	COMP	PHILLIPS	Complaint Filed - Complaint for Mortgage Foreclosure Steve Verby
	SMIS	PHILLIPS	Summons Issued - 27 Steve Verby
2/2/2011		PHILLIPS	Filing: I1 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Finney et al Receipt number: 0451039 Dated: 2/2/2011 Amount: \$58.00 (Check) For: JV L.L.C. (defendant) Steve Verby
	MOTN	OPPELT	Exparte Motion for Order Allowing Out of State Service Steve Verby
	AFFD	OPPELT	Affidavit in Support of Exparte Motion for Order Allowing Out of State Service Steve Verby
	NOAP	OPPELT	Notice Of Appearance for JV L.L.C. Steve Verby
	APER	OPPELT	Defendant: JV L.L.C. Appearance Gary A. Finney Steve Verby
2/7/2011		PHILLIPS	Filing: I1 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Finney et al Receipt number: 0451310 Dated: 2/7/2011 Amount: \$58.00 (Check) For: ACI Northwest Inc, an Idaho corporation (defendant) Steve Verby
	NOAP	OPPELT	Notice Of Appearance Steve Verby
	APER	OPPELT	Defendant: ACI Northwest Inc, an Idaho corporation Appearance John A Finney Steve Verby
2/8/2011	AFFD	PHILLIPS	Affidavit Re Verification of Complaint for Mortgage Foreclosure Steve Verby
2/9/2011	ORDR	PHILLIPS	Order Allowing Out of State Service of Summons Steve Verby
2/23/2011		PHILLIPS	Filing: I1 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Wetzel Wetzel & Holt Receipt number: 0452255 Dated: 2/23/2011 Amount: \$58.00 (Check) For: North Idaho Resorts LLC, an Idaho limited liability (defendant) Steve Verby
	APER	PHILLIPS	Defendant: North Idaho Resorts LLC, an Idaho limited liability Appearance Steven C. Wetzel Steve Verby
	NOAP	PHILLIPS	Notice Of Appearance Steve Verby
	NOTC	OPPELT	Notice of Intent to Take Default Steve Verby

Date	Code	User	Judge
2/24/2011		PHILLIPS	Filing: I1 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Layman Layman & Robinson PLLC Receipt number: 0452451 Dated: 2/25/2011 Amount: \$58.00 (Check) For: Montaheno Investments LLC, a Nevada limited liabil (defendant), Pend Oreille Bonner Development Holdings, Inc. (defendant), Pend Oreille Bonner Development, LLC (defendant) and Toyon Investments LLC (defendant)
	APER	PHILLIPS	Defendant: Pend Oreille Bonner Development, LLC Appearance John R Layman and Patti Jo Foster
	APER	PHILLIPS	Defendant: Pend Oreille Bonner Development Holdings, Inc. Appearance John R Layman and Patti Jo Foster
	APER	PHILLIPS	Defendant: Montaheno Investments LLC, a Nevada limited liabil Appearance John R Layman and Patti Jo Foster
	APER	PHILLIPS	Defendant: Toyon Investments LLC Appearance John R Layman and Patti Jo Foster
	NOAP	PHILLIPS	Notice Of Appearance - Layman and Foster
	MISC	PHILLIPS	no envelope enclosed for mailing copy of appearance to Layman
3/3/2011		PHILLIPS	Filing: I1 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Lukins & Annis, PS Receipt number: 0453080 Dated: 3/8/2011 Amount: \$58.00 (Check) For: Mountain West Bank (defendant)
	APER	PHILLIPS	Defendant: Mountain West Bank Appearance Richard Wayne Sweney
	NOTC	PHILLIPS	Notice of Appearance
3/8/2011	REQU	PHILLIPS	Request for Entry of Default
3/10/2011	AFFD	PHILLIPS	Affidavit of John E Miller in Support of Request for Entry of Default
3/14/2011	ORDR	PHILLIPS	Order for Entry of Default
	CDIS	PHILLIPS	Civil Disposition entered for: Montaheno Investments LLC, a Nevada limited liabil, Defendant; Pend Oreille Bonner Development Holdings, Inc., Defendant; Pend Oreille Bonner Development, LLC, Defendant; Reeves, Ann B, Defendant; Reeves, Charles W, Defendant; Toyon Investments LLC, Defendant; Pacific Capital Bank, N.A., Plaintiff. Filing date: 3/14/2011
3/16/2011	MISC	OPPELT	Disclaimer

Date	Code	User	Judge
3/21/2011		PHILLIPS	Filing: I1 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Ramsden & Lyons LLP Receipt number: 0453868 Dated: 3/22/2011 Amount: \$58.00 (Check) For: B-K Lighting Inc (defendant)
	APER	PHILLIPS	Defendant: B-K Lighting Inc Appearance Douglas S. Marfice
	NOAP	PHILLIPS	Notice Of Appearance
		PHILLIPS	Filing: I1 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Elsaesser Jarzabek et al Receipt number: 0453878 Dated: 3/22/2011 Amount: \$58.00 (Check) For: Jacobson, Dan S (defendant), Lazar, Steven G (defendant) and Sage Holdings LLC (defendant)
	APER	PHILLIPS	Defendant: Jacobson, Dan S Appearance Bruce Anderson
	APER	PHILLIPS	Defendant: Sage Holdings LLC Appearance Bruce Anderson
	APER	PHILLIPS	Defendant: Lazar, Steven G Appearance Bruce Anderson
	NOAP	PHILLIPS	Notice Of Appearance
5/17/2011	SMRT	PHILLIPS	Summons Returned
	SMIS	PHILLIPS	Summons Issued - First Amended Complaint
	AMCO	PHILLIPS	First Amended Complaint Filed for: 1. Reformation of Legal Description Contained in Mortgage (Scrivener's Error); and 2. Mortgage Foreclosure
5/18/2011	NOTC	PHILLIPS	Amended Notice of Appearance for JV LLC
5/26/2011	MISC	PHILLIPS	Amended Disclaimer - Idaho State Tax Commission
5/27/2011	SUBC	PHILLIPS	Substitution Of Counsel - Steven Wetzel of Wetzel, Wetzel & Holt out; Steven Wetzel of James Vernon & Weeks in for North Idaho Resorts
7/11/2011	NODF	PHILLIPS	Notice Of Intent To Take Default
7/14/2011	REQU	PHILLIPS	Request for Entry of Default
	AFFD	PHILLIPS	Affidavit of John E Miller in Support of Request for Entry of Default
7/20/2011	REQU	PHILLIPS	Request for Dismissal Without Prejudice of Defendant Amy Korengut Only
7/21/2011	ORDR	PHILLIPS	Order for Entry of Default (re First Amended Complaint against certain defendants)

Date	Code	User	Judge
7/21/2011	CDIS	PHILLIPS	Civil Disposition entered for: Pacific Capital Bank, N.A., Plaintiff; Pend Oreille Bonner Development Holdings, Inc., Defendant; Montaheno Investments LLC, a Nevada limited liabil, Defendant; Toyon Investments LLC, Defendant; Reeves, Ann B, Defendant; Reeves, Charles W, Defendant. Filing date: 7/21/2011
	MISC	PHILLIPS	no copies or envelopes provided for mailing of Order of Default to other parties
7/26/2011	ORDR	PHILLIPS	Order Re Dismissal Without Prejudice of Defendant Amy Korengut Only
	MISC	PHILLIPS	no copies or envelopes provided for mailing of above dismissal
	CDIS	PHILLIPS	Civil Disposition entered for: Korengut, Amy, Defendant; Pacific Capital Bank, N.A., Plaintiff. Filing date: 7/26/2011
8/17/2011	NODF	PHILLIPS	Notice Of Intent To Take Default
	AFSV	PHILLIPS	Affidavit Of Service of First Amended Complaint
8/29/2011		KELSO	Filing: K4 - Cross Claim (defendant v defendant or plaintiff v. plaintiff) This fee is in addition to any fee filed as a plaintiff to initiate the case or as a defendant appearing in the case Paid by: Finney, Finney, Finney, P.A. Receipt number: 0462151 Dated: 8/29/2011 Amount: \$14.00 (Check) For: JV L.L.C. (defendant)
	EXMN	PHILLIPS	Ex-parte Motion for Order Allowing Service of Summons by Publication
	AFFD	PHILLIPS	Affidavit in Support of Ex Parte Motion for Order Allowing Service of Summons by Publication
	ANSW	PHILLIPS	JV, LLC Answer to First Amended Complaint, Counterclaim and Cross Claim
9/2/2011	ORDR	PHILLIPS	Order Allowing Service of Summons by Publication
9/9/2011	AFMA	ADLER	Affidavit Of Mailing pursuant to order for publication of summons
	AFSV	PHILLIPS	Affidavit Of Service - Curt Hecker, Registered Agent, served for Panhandle State Bank 6/27/11
	AFSV	PHILLIPS	Affidavit Of Service - Robert Myers, agent for Timberline Investments LLC served 6/27/11
	AFSV	PHILLIPS	Affidavit Of Service - Corporations Services, Registered Agent, served for Wells Fargo Capital finance LLC on 6/23/11
	AFSV	PHILLIPS	Affidavit Of Service - Chelsea Stephens, authorized person, served for Bailey Law Group for HLT Real Estate LLC on 6/22/11
	AFSV	PHILLIPS	Affidavit Of Service - Statutory Agent served for Russ Capital Group, LLC, on 6/29/11

Date	Code	User	Judge
9/9/2011	NOSV	PHILLIPS	- Certificate of Service - Philip Dimatteo served for Russ Capital 6/28/11 ; no longer statutory agent
	PROO	PHILLIPS	Proof Of Service - Selena Thai of Accoutning served for Mortgage Fund '08 LLC on 6/22/11
9/14/2011	ANSW	PHILLIPS	ACI Northwest, Inc's Answer to First Amended Complaint
	REQU	PHILLIPS	Request for Entry of Default
	AFFD	PHILLIPS	Affidavit in Support of Request for Entry of Default (re Panhandle State Bank, Timberline Investments, Wells Fargo Capital Finance, HLT Real Estate, Russ Capital Group and mortgage Fund '08)
	AFFD	PHILLIPS	Affidavit of John E Miller in Support of Request for Entry of Default
	EXMN	PHILLIPS	Ex-parte Motion for Order Allowing Service of Summons by Publication
	AFFD	PHILLIPS	Affidavit in Support of Ex Parte Motion for Order Allowing Service of Summons by Publication
9/19/2011	REQU	PHILLIPS	Request for Entry of Default (re B-K Lighting)
	AFFD	PHILLIPS	Affidavit of John E Miller in Support of Request for Entry of Default
	MISC	HENDRICKSO	*****END OF FILE 1*****BEGIN FILE 2*****
9/22/2011	ORDR	PHILLIPS	Order for Entry of Default (re B-K Lighting, Inc)
	CDIS	PHILLIPS	Civil Disposition entered for: B-K Lighting Inc, Defendant; Pacific Capital Bank, N.A., Plaintiff. Filing date: 9/22/2011
	ORDR	PHILLIPS	Order for Entry of Default against Panhandle State Bank, Timberline Investments LLC, Wells Fargo Capital Finance, LLC, HLT Real Estate LLC, Russ Capital Group, LLC, and Mortgage Fund '08, LLC
	CDIS	PHILLIPS	Civil Disposition entered for: HLT Real Estate LLC, Defendant; Mortgage Fund '08 LLC, Defendant; Panhandle State Bank, an Idaho corporation, Defendant; Russ Capital Group LLC, Defendant; Timberline Investments, LLC, an Idaho limited liab, Defendant; Wells Fargo Capital Finance LLC a Delaware LL Co., Defendant; Pacific Capital Bank, N.A., Plaintiff. Filing date: 9/22/2011
	ORDR	PHILLIPS	Order Allowing Service of Summons by Publication
9/26/2011	AFFD	PHILLIPS	Affidavit of Dana L Rayborn Wetzel Re Automatic Stay
9/27/2011	ORDR	OPPELT	Administrative Order B11-DW.1

Date	Code	User		Judge
9/27/2011	CHJG	OPPELT	Change Assigned Judge	Jeff Brudie
9/28/2011	ORDR	PHILLIPS	Stay Order (re Mortgage Fund '08, LLC)	Steve Verby
	ORDR	PHILLIPS	Stay Order (re R.E. Loans, LLC)	Steve Verby
	CDIS	PHILLIPS	Civil Disposition entered for: Mortgage Fund '08 LLC, Defendant; R.E. Loans LLC, a California Limited Liability Co, Defendant; Pacific Capital Bank, N.A., Plaintiff. Filing date: 9/28/2011	Jeff Brudie
9/29/2011	CINF	PHILLIPS	Clerk Information - file being returned to Sylvia	Jeff Brudie
9/30/2011	ORDR	OPPELT	Order of Reassignment	Jeff Brudie
	CHJG	OPPELT	Change Assigned Judge	John Stegner
10/4/2011	NOTC	OPPELT	Notice	John Stegner
10/7/2011	MODQ	PHILLIPS	Motion To Disqualify (re Judge Stegner)	John Stegner
11/3/2011	ORDR	OPPELT	Order Granting Motion to Disqualify (Judge Stegner)	John Stegner
	DISA	OPPELT	Disqualification Of Judge - Automatic - Judge Stegner	John Stegner
	CHJG	OPPELT	Change Assigned Judge	District Court Clerks
11/15/2011	ORDR	OPPELT	Order of Reassignment	Jeff Brudie
	CHJG	OPPELT	Change Assigned Judge	Michael J Griffin
11/16/2011		BOWERS	Miscellaneous Payment: For Making Copy Of Any File Or Record By The Clerk, Per Page Paid by: Smith Research Receipt number: 0465690 Dated: 11/16/2011 Amount: \$73.00 (Check)	District Court Clerks
11/21/2011	MISC	OPPELT	Copy of Entire File and ROA's Sent to Judge Griffin. (Except Affidavit in Support of Request for Entry of Default (re Panhandle State Bank, Timberline Investments, Wells Fargo Capital Finance, HLT Real Estate, Russ Capital Group and mortgage Fund '08) - Filed on 09-14-11 Unable to Locate	Michael J Griffin
3/5/2012		HENDRICKSO	Filing: I1 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Meuleman Mollerup Receipt number: 0470791 Dated: 3/13/2012 Amount: \$58.00 (Check) For: R.E. Loans LLC, a California Limited Liability Co (defendant)	Michael J Griffin
	APER	HENDRICKSO	Defendant: R.E. Loans LLC, a California Limited Liability Co Appearance Richard L Stacey	Michael J Griffin
3/6/2012	MISC	DRIVER	Request for copy of entire file from Stephanie Wright of Idaho Transportation Department	Michael J Griffin
3/12/2012	NOTC	HENDRICKSO	Notice of Status and Entry of an Order for Relief from Automatic Stay Northern District of Texas	Michael J Griffin
3/15/2012	MISC	HENDRICKSO	Notice of Status faxed to Judge Griffin 3-15-12 422pm	Michael J Griffin

Date	Code	User	Judge
3/16/2012		DRIVER	Miscellaneous Payment: For Making Copy Of Any File Or Record By The Clerk, Per Page Paid by: State Controller's Warrant Ron G. Crane Receipt number: 0470993 Dated: 3/16/2012 Amount: \$348.00 (Check)
	MISC	DRIVER	Letter from Stephanie Wright with check for copy of entire file. Copy of entire file mailed.
5/2/2012	NOTC	OPPELT	Notice of Status; Entry of an Order for Relief from Automatic Stay Northern District of California; and Request to Lift the Stay Order of September 28, 2011
5/3/2012	CINF	OPPELT	Faxed to Judge Griffin - "Notice of Status; Entry of an Order for Relief from Automatic Stay Northern District of California; and Request to Lift the Stay Order of September 28, 2011"
5/14/2012	MOTN	HENDRICKSO	R.E. Loans, LLC's Motion for Telephonic Appearance
	NOHG	HENDRICKSO	Notice of Hearing re: Plaintiff's Request to Lift the Stay Order of September 28, 2011
	HRSC	HENDRICKSO	Hearing Scheduled (Hearing Scheduled 05/31/2012 10:00 AM) Idaho County Court
5/15/2012	MISC	HENDRICKSO	No Objection to Lifting Stay
5/16/2012	CINF	OPPELT	Faxed to Judge Griffin - "No Objection to Lifting Stay"
5/23/2012	ORDR	OPPELT	Order Granting R.E. Loans, LLC's Motion for Telephonic Appearance
	MISC	OPPELT	R.E. Loans, LLC's Conditional Objection to Pacific Capital Bank, N.A.'s Request to Lift the Stay Order
5/25/2012	MOTN	HENDRICKSO	Pend Oreille Bonner Development, LLC's Motion for Telephonic Appearance
	MISC	HENDRICKSO	Fax cover: documents faxed to Judge Griffin
	ORDR	HENDRICKSO	Order Granting Pend Oreille Bonner Development, LLC's Motion For Telephonic Appearance
5/29/2012	NOTC	OPPELT	North Idaho Resorts' Notice of Intent to Participate by Telephone at Hearing on May 31, 2012
5/30/2012	OBJC	OPPELT	Objection to the Requested Appearance by Pend Oreille Bonner Development, LLC
5/31/2012	CTLG	OPPELT	Court Log- - From Idaho County - No CD

Date	Code	User	Judge
5/31/2012	DCHH	OPPELT	Hearing result for Hearing Scheduled scheduled on 05/31/2012 10:00 AM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: Idaho County Court Richard L. Stacey/Anna E. Eberlin/John Layman, and Steven Wetzel Appearing Telephonically - Less Than 100 Pages
6/7/2012	ORDR	CMOORE	Order Lifting Stay
6/11/2012	MISC	HENDRICKSO	JV's Demand for Jury Trial
6/15/2012		HENDRICKSO	Filing: K4 - Cross Claim (defendant v defendant or plaintiff v. plaintiff) This fee is in addition to any fee filed as a plaintiff to initiate the case or as a defendant appearing in the case Paid by: James Vernon & Weeks Receipt number: 0475330 Dated: 6/19/2012 Amount: \$14.00 (Check) For: North Idaho Resorts LLC, an Idaho limited liability (defendant)
	ANSW	HENDRICKSO	North Idaho Resorts, LLC's Answer to First Pacific Capital Bank, N.A.'s Amended Complaint, Counter Claim and Cross Claim
7/2/2012	MISC	OPPELT	Defendant JV LLC's Response to Plaintiff's Request for Admissions of Fact and Genuineness of Documents
7/6/2012	MISC	OPPELT	Pacific Capital Bank, N.A.'s Reply to Counter Claim by North Idaho Resorts, LLC
7/9/2012	NOTC	HENDRICKSO	Notice of Name Change
	REPL	HENDRICKSO	Pacific Capital Bank, N.A.'s Reply to Counter Claim by JV, LLC
7/20/2012	MISC	HENDRICKSO	Faxed copies of Notice of Name Change to Judge Griffin for review
7/25/2012	NOSV	OPPELT	Notice Of Service
	MISC	HENDRICKSO	*****END OF FILE #2*** BEGIN FILE #3*****
8/9/2012	STIP	HENDRICKSO	Stipulation re: Priorities Between Pacific Capital Bank N.A. and R.E. Loans, LLC
	APER	HENDRICKSO	Defendant: Grant, Frederick J Appearance John E. Miller
	APER	HENDRICKSO	Defendant: Grant, Christine Appearance John E. Miller
		HENDRICKSO	Filing: I1 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: The Law Office of John E Miller Receipt number: 0478034 Dated: 8/14/2012 Amount: \$66.00 (Check) For: Grant, Christine (defendant) and Grant, Frederick J (defendant)
	MISC	HENDRICKSO	Disclaimer

Case: CV-2011-0000135 Current Judge: Idaho Supreme Court
 MUFG Union Bank N.A. vs. Pend Oreille Bonner Development, LLC, etal.

Date	Code	User		Judge
8/9/2012	CESV	HENDRICKSO	Certificate Of Service of Disclaimer by Grants	Michael J Griffin
8/10/2012	MISC	HENDRICKSO	Document faxed to Judge Griffin	Michael J Griffin
8/15/2012	AFSV	HENDRICKSO	Affidavit Of Service - Joseph Hussich on 06-28-2012	Michael J Griffin
	REQU	HENDRICKSO	Request for Entry of Default	Michael J Griffin
	AFFD	HENDRICKSO	Affidavit of John E. Miller in Support of Request for Entry of Default	Michael J Griffin
8/16/2012	REQU	HENDRICKSO	Request for Entry of Default	Michael J Griffin
	AFFD	HENDRICKSO	Affidavit of John E. Miller in Support of Request for Entry of Default	Michael J Griffin
	AFPB	HENDRICKSO	Affidavit Of Publication Pensco Trust Co. custodian f/b/a Barney Ng	Michael J Griffin
8/22/2012	MISC	HENDRICKSO	Fax cover - documents faxed to Judge for review	Michael J Griffin
	CINF	HENDRICKSO	paperwork is at Jo's desk in pending	Michael J Griffin
	MISC	HENDRICKSO	Documents faxed to Judge for review	Michael J Griffin
8/27/2012	STIP	HENDRICKSO	Stipulation re: Priorities Between Pacific Capital Bank N.A. and Dan S. Jacobson, Sage Holdings, LLC and Steven G. Lazar	Michael J Griffin
	STIP	HENDRICKSO	Stipulation re: Priorities Between Pacific Capital Bank, N.A. and Mountain West Bank	Michael J Griffin
	ORDR	HENDRICKSO	Order for Entry of Default (Dussich Joseph ONLY)	Michael J Griffin
	ORDR	HENDRICKSO	Order for Entry of Default	Michael J Griffin
8/29/2012	NOHG	HENDRICKSO	Notice of Heaing re: Plaintiff's Motion to Amend Caption and Reference to Plaintiff	Michael J Griffin
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 09/20/2012 04:00 PM) Idaho County Court Attorney J. Miller by telephone	Michael J Griffin
	NOWD	HENDRICKSO	Notice of Withdrawal and Substitution	Michael J Griffin
	APER	HENDRICKSO	Defendant: Reeves, Ann B Appearance John R Layman	Michael J Griffin
	APER	HENDRICKSO	Defendant: Reeves, Ann B Appearance Bradley C Crockett	Michael J Griffin
	APER	HENDRICKSO	Defendant: Reeves, Charles W Appearance John R Layman	Michael J Griffin
	APER	HENDRICKSO	Defendant: Reeves, Charles W Appearance Bradley C Crockett	Michael J Griffin
	APER	HENDRICKSO	Defendant: Toyon Investments LLC Appearance Bradley C Crockett	Michael J Griffin
	APER	HENDRICKSO	Defendant: Montaheno Investments LLC, a Nevada limited liabil Appearance Bradley C Crockett	Michael J Griffin
	APER	HENDRICKSO	Defendant: Pend Oreille Bonner Development Holdings, Inc. Appearance Bradley C Crockett	Michael J Griffin

Date	Code	User	Judge
8/29/2012	APER	HENDRICKSO	Defendant: Pend Oreille Bonner Development, LLC Appearance Bradley C Crockett
	MOTN	HENDRICKSO	Plaintiff's Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change
	AFFD	HENDRICKSO	Affidavit of Counsel in Support of Plaintiff's Motion to Amend The Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change
	NOHG	HENDRICKSO	Notice of Hearing re: Plaintiff's Motion To Amend Caption and Reference to Plaintiff
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 09/20/2012 04:00 PM) Plaintiff's Motion to Amend Caption and Reference to Plaintiff
	MOTN	HENDRICKSO	Plaintiff's Motion To Allow the Parties to Appear Telephonically at Plaintiff's Motion Calendared for Hearing on September 20, 2012 4:00 pm
8/30/2012	ORDR	HENDRICKSO	Order Granting Plaintiffs Motion To Appear Telephonically at its Motions Calendared for Hearing on September 20, 2012 at 4:00 pm
	MOTN	HENDRICKSO	Plaintiff's Motin To Strike Demand for Jury Trial by Counterclaimant, JV. LLC
	MEMO	HENDRICKSO	Memorandum in Support of Plaintiff;s Motion To Strike Demand for Jury Trial By Counterclaimant, JV LLC
	NOHG	HENDRICKSO	Notice of Hearing re: Plaintiff's Motion to Strike Demand For Jury Trial
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 09/20/2012 04:00 PM) Plaintiff's Motin to Strike Demand for Jury Trial
9/5/2012	NOTC	HENDRICKSO	North Idaho Resorts' Notice of Intent to Participate by Telephone in Hearing on September 20, 2012
9/12/2012	MISC	HENDRICKSO	Notice of Intent to Participate by phone faxed to Judge Griffin
9/13/2012	NOSV	OPPELT	Notice Of Service of Plaintiff's Response to North Idaho Resorts, LLC's First Set of Requests for Admissions
9/17/2012	HRVC	HENDRICKSO	Hearing result for Motion scheduled on 10/04/2012 08:30 AM: Hearing Vacated Plaintiff's Motin to Strike Demand for Jury Trial - by telephone
9/18/2012	NOHG	HENDRICKSO	Amended Notice of Hearing - (Changing from September 9, 2012) and JV, LLC's Consent to Plaintiff's Motions and JV, LLC's Wlthdrawal of Demand for Jury

Date	Code	User	Judge
9/18/2012	HRSC	HENDRICKSO	Hearing Scheduled (Motion 10/04/2012 08:30 AM) Plaintiff's Motin to Strike Demand for Jury Trial - by telephone
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 10/04/2012 08:30 AM) Plaintiff's MotiOn to Strike Demand for Jury Trial - by telephone
	HRVC	HENDRICKSO	Hearing result for Motion scheduled on 09/20/2012 04:00 PM: Hearing Vacated Plaintiff's Motion to Amend Caption and Reference to Plaintiff
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 10/04/2012 08:30 AM) Plaintiff's Motion to Amend Caption and Reference to Plaintiff
	HRVC	HENDRICKSO	Hearing result for Motion scheduled on 09/20/2012 04:00 PM: Hearing Vacated Idaho County Court Attorney J. Miller by telephone Attorney S. Wetzel by telephone
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 10/04/2012 08:30 AM) Idaho County Court Attorney J. Miller by telephone Attorney S. Wetzel by telephone
9/19/2012	HRVC	HENDRICKSO	Hearing result for Motion scheduled on 09/20/2012 04:00 PM: Hearing Vacated Plaintiff's Motin to Strike Demand for Jury Trial
	NOTC	HENDRICKSO	Defendants Dan S. Jacobson, Sage HOLDings, LLC and Steven G. Lazar's Notice of Non-Opposition re: October 4, 2012
	NOTC	HENDRICKSO	R.E. Loans, LLC's Notice of Non-Opposition [re: October 4, 2012, Hearings]
10/4/2012	WDRW	HENDRICKSO	Hearing result for Motion scheduled on 10/04/2012 08:30 AM: Withdrawn Plaintiff's Motion to Strike Demand for Jury Trial - by telephone
	GRNT	HENDRICKSO	Hearing result for Motion scheduled on 10/04/2012 08:30 AM: Motion Granted Plaintiff's Motion to Amend Caption and Reference to Plaintiff
	GRNT	HENDRICKSO	Hearing result for Motion scheduled on 10/04/2012 08:30 AM: Motion Granted Idaho County Court Attorney J. Miller by telephone Attorney S. Wetzel by telephone
10/10/2012	ORDR	OPPELT	Order Granting Motion to Strike Demand for Jury
10/17/2012	ORDR	OPPELT	Order Granting Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change

Date	Code	User	Judge
10/19/2012	DCHH	HENDRICKSO	Hearing result for Motion scheduled on 10/04/2012 08:30 AM: District Court Hearing Held - By Phone Grangeville Idaho Court Reporter: K. Evans Number of Transcript Pages for this hearing estimated: Plaintiff's Motion to Amend Caption and Reference to Plaintiff
10/31/2012	REQU	JACKSON	Request from Judge's clerk for copy of 8-27-12 stipulation
	CINF	JACKSON	Clerk Information - Copy of Stipulation sent to Judge's Clerk per request
1/4/2013	ORDR	HENDRICKSO	Order Granting Second Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change
1/14/2013	MOTN	HENDRICKSO	Plaintiffs Motion to Allow the Parties to Appear Telephonically at Plaintiff's Motion Calendared for Hearing on January 31, 2013 at 10:30am
	NOHG	HENDRICKSO	Notice of Hearing re: Plaintiff's Second Motion to Amend Caption and Reference to Plaintiff; and Notice of Trial Setting and Scheduling Conference
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 01/31/2013 10:30 PM) By telephone Second Motion to Amend Caption and Reference to Plaintiff
	MOTN	HENDRICKSO	Plaintiff's Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change
	AFFD	HENDRICKSO	Affidavit of Counsel in Support of Plaintiff's Second Motion to Amend the Caption and Reference to Plaintiff in The First Amended Complaint by Virtue of Name Change
1/16/2013	ORDR	HENDRICKSO	Order Granting Plaintiffs Motion to Appear Telephonically at its Motion s Calendared for Hearing on January 31, 2013 at 10:30am
	NOTC	HENDRICKSO	R.E. Loans, LLC's Notice of Intenet to Appear by Telephone [January 31st, 2013 Hearings]
1/23/2013	NOTC	HENDRICKSO	Defendants Dan S. Jacobson, Sage Holdings, LLC and Steven G. Lazar's Notice of NonOpposition and Intent to Appear by Telephone - re: January 31, 2013 Hearing
1/28/2013	RSPN	HENDRICKSO	Defendant North Idaho Resorts, LLC Response to Plaintiff's Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change
1/29/2013	MISC	HENDRICKSO	R.E. Loans, LLC's Notice of Non-Opposition [RE: January 31, 2013 Hearing]

Date	Code	User	Judge
1/29/2013	NOTC	HENDRICKSO	Defendant North Idaho Resorts, LLC's Notice of Intent to Appear Telephonically Michael J Griffin
1/31/2013	CTLG	OPPELT	Court Log- From Grangeville, Idaho Michael J Griffin
	DCHH	OPPELT	Hearing result for Motion scheduled on 01/31/2013 10:30 PM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: Attorney J. Miller and Plaintiff's By telephone / Defendant Attorney Weeks by telephone - Less Than 100 Pages Second Motion to Amend Caption and Reference to Plaintiff Michael J Griffin
2/4/2013	ORDR	OPPELT	Order Scheduling Case for Trial Michael J Griffin
	HRSC	OPPELT	Hearing Scheduled (Court Trial - 3 Days 10/30/2013 09:00 AM) In Bonner County Michael J Griffin
	HRSC	OPPELT	Hearing Scheduled (Pretrial Conference 10/08/2013 09:00 AM) In Idaho County Michael J Griffin
2/12/2013	NOTC	HENDRICKSO	Notice of Change of Address - Attorney Anderson Michael J Griffin
3/18/2013	APED	BOWERS	Application For Entry Of Default Judgment as to Defendant Pend Oreille Bonner Development, LLC Michael J Griffin
	AFFD	BOWERS	Affidavit of Kim Von Disterlo in Support of Request for Entry of Default Judgment as to Defendant Pend Oreille Bonner Development, LLC Michael J Griffin
3/20/2013	NOHG	HENDRICKSO	Notice of Hearing re: Plaintiff's Motion for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: RE Priority Michael J Griffin
	HRSC	HENDRICKSO	Hearing Scheduled (Motion for Partial Summary Judgment 04/19/2013 11:00 AM) Michael J Griffin
	MOTN	HENDRICKSO	Motion for Judgment on the Pleadings (IRCP 12(c)) by Defendant JV, LLC and Notice of Hearing Michael J Griffin
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 04/19/2013 11:00 AM) Bonner County Michael J Griffin
	MEMO	HENDRICKSO	JV, LLC's Memorandum - In Support of its Motion for Judgment on the Pleadings (IRCP 12(c)) Michael J Griffin
3/21/2013	NOWD	BOWERS	Notice Of Withdrawal of Hearing Re Plaintiff's Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re Priority Michael J Griffin
3/22/2013	NOFH	BOWERS	Notice Of Hearing Re Plaintiff's Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re Priority Michael J Griffin

Date	Code	User	Judge
3/22/2013	HRSC	BOWERS	Hearing Scheduled (Motion for Partial Summary Judgment 04/19/2013 11:00 AM) Plaintiff's Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC Re: Priority
	HRVC	BOWERS	Hearing result for Motion for Partial Summary Judgment scheduled on 04/19/2013 11:00 AM: Hearing Vacated Plaintiff's Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC Re: Priority
4/1/2013	ORDR	JACKSON	Order for Default Judgment and Decree of Foreclosure as to Defendant Pend Oreille Bonner Development, LLC
4/3/2013	MISC	JACKSON	Notice of Compliance / Disclosure of Plaintiff's Expert Witnesses
4/4/2013	MEMO	JACKSON	JV, LLC'S Supplemental Memorandum - In Support of Its Motion for Judgment on the Pleadings and Correction to Paragraph VII, 5 and Waiver of Oral Argument
	MISC	JACKSON	Supplemental Plaintiff's Expert Witness Disclosure
4/8/2013	MEMO	BOWERS	Memorandum in Support of Plaintiff's Opposition to Motion for Judgment on the Pleadings by JV, LLC
	AFFD	BOWERS	Affidavit of John E. Miller in Support of Opposition to JV, LLC's Motion for Judgment on the Pleadings
	MOTN	BOWERS	Plaintiff's Motion to Allow the Parties to Appear Telephonically at JV, LLC's Motions Calendared for Hearing on April 19, 2013 at 11:00 AM
4/9/2013	CDIS	BOWERS	Civil Disposition entered for: Pend Oreille Bonner Development, LLC, Defendant; Lazar, Steven G, Defendant; Union Bank, National Association, Plaintiff. Filing date: 4/9/2013
	NOTC	JACKSON	North Idaho Resort's Notice of Intent to Participate by Telephone in Hearings on April 19, 2013
4/10/2013	NOTC	BOWERS	Defendants Dan S. Jacobson, Sage Holdings, LLC, and Steven G. Lazar's Notice of Intent to Appear by Telephone Re: April 19, 2013 Hearing
4/12/2013	AFFD	JACKSON	Affidavit of Terrilyn S. Baron in Support of Opposition to JV, LLC's Motion for Judgment on the Pleadings (hrq 4-19)
	MISC	JACKSON	FAX sheet
4/15/2013	MISC	JACKSON	FAX sheet - fax'd Order Granting Plaintiff's Motion re hearing
	MISC	HENDRICKSO	R.E. Loans, LLC's Notice of Intent to Appear by Telephone

Date	Code	User	Judge
4/16/2013	ORDR	HENDRICKSO	Order Granting Plaintiffs Motion to Appear Telephonically at JV,LLV's Motion Calendared for Hearing on April 19th, 2012 at 11:00 am
4/18/2013	REPL	HENDRICKSO	JV, LLC's Reply to Plaintiff's Memorandum in Support of Plaintiff's Opposition to Motion for Judgment on the Pleadings by JV, LLC and.....
	MOTN	HENDRICKSO	JV, LLC's Motion to Strike Bank's Memorandum and the Supporting Affidavit of Terrilyn S. Baron
	MISC	HENDRICKSO	****END OF FILE #3****BEGIN FILE #4*****
4/19/2013	CTLG	OPPELT	Court Log- From Idaho County - No CD Received
	DCHH	OPPELT	Hearing result for Motion scheduled on 04/19/2013 11:00 AM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: Less Than 100 Pages
	DCHH	OPPELT	Hearing result for Motion for Partial Summary Judgment scheduled on 04/19/2013 11:00 AM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: Attorney Miller by phone - Less Than 100 Pages
4/26/2013	ANSW	HENDRICKSO	R.E. Loans, LLC's Answer to JV LLC's Cross-Claim
4/29/2013		HENDRICKSO	Filing: K4 - Cross Claim (defendant v defendant or plaintiff v. plaintiff) This fee is in addition to any fee filed as a plaintiff to initiate the case or as a defendant appearing in the case Paid by: Meuleman Mollerup Receipt number: 0489878 Dated: 5/2/2013 Amount: \$14.00 (Check) For: R.E. Loans LLC, a California Limited Liability Co (defendant)
	ANSW	HENDRICKSO	R.E. Loans, LLC's Answer to North Idaho Resorts, LLC's Cross-Claim and Cross-Claim Against North Idaho Resorts, LLC
5/1/2013	ORDR	HUMRICH	Order Denying Motion for Judgment on the Pleadings
5/2/2013	APPL	HENDRICKSO	Application for Entry of Default Judgment as to the Defaulted Defendants
5/7/2013	NOSV	HENDRICKSO	Notice of Service of Discovery
5/9/2013	ORDR	HENDRICKSO	Order for Default Judgment and Decree of Foreclosure as to Other Defaulted Defendants (6 pgs)
5/14/2013	WITN	HENDRICKSO	R.E. Loans, LLC's Expert Witness Disclosure
5/15/2013	NOSV	HENDRICKSO	Notice Of Service of Discovery

Date	Code	User	Judge
5/17/2013	WITN	HENDRICKSO	North Idaho Resport's Expert Witness Disclosure Michael J Griffin
5/28/2013	STIP	HENDRICKSO	Stipulation re: Priorities Between Union Bank, N.A. and ACI Northwest, Inc Michael J Griffin
5/30/2013	NOTC	HENDRICKSO	Notice of Change of Address - Attorney J. E. Miller Michael J Griffin
6/6/2013	NOHG	HENDRICKSO	Notice of Hearing re: Plaintiff's Motion for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: RE Priority Michael J Griffin
	HRSC	HENDRICKSO	Hearing Scheduled (Motion for Partial Summary Judgment 07/08/2013 09:00 AM) Attorney J. Miller by phone Michael J Griffin
6/11/2013	NOHG	HENDRICKSO	Amended Notice of Hearing re: Plaintiff's Motion for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re: Priority Michael J Griffin
	CONT	HENDRICKSO	Continued (Motion for Partial Summary Judgment 07/29/2013 09:30 AM) Attorney J. Miller by phone Michael J Griffin
6/17/2013	NOTC	HENDRICKSO	JV, LLC's Notice of Serving Answers to R.E. Loans, LLC's First Set of Discovery Requests to JV, LLC Michael J Griffin
6/24/2013	NOSV	HENDRICKSO	Notice of Service Defendant North Idaho Resorts, LLC's Answer and Responses to R.E. Loans, LLC's First Set of Discovery Request to North Idaho Resorts, LLC Michael J Griffin
	MISC	HENDRICKSO	*****END OF FILE #4*****BEGIN FILE #5**** EXPANDO #2 Michael J Griffin
7/1/2013	MOTN	OPPELT	Plaintiff's Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re Reformation and Priority Michael J Griffin
	MEMO	OPPELT	Plaintiff's Memorandum in Support of Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re Reformation and Priority Michael J Griffin
	AFFD	OPPELT	Affidavit of John E. Miller in Support of Motions for Partial Summary Judgment Re Reformation and Priority Michael J Griffin
	AFFD	OPPELT	Affidavit of Terrilyn S. Baron in Support of Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re Reformation and Priority Michael J Griffin
	AFFD	OPPELT	Affidavit of Rick Lynskey in Support of Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re Reformation and Priority Michael J Griffin
	AFFD	OPPELT	Supplemental Affidavit of Rick Lynskey in Support of Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re Reformation and Priority Michael J Griffin

Date	Code	User	Judge
7/1/2013	REQU	OPPELT	Request for Judicial Notice (Idaho Rules of Evidence, Rule 201(b)(d))
	MOTN	OPPELT	Plaintiffs Motion to Allow the Parties to Appear Telephonically at Plaintiff's Motions for Partial Summary Judgment Calendared for Hearing on July 29, 2013 at 9:30 AM
7/2/2013	MOTN	OPPELT	Corrected Plaintiffs Motion to Allow the Parties to Appear Telephonically at Plaintiff's Motions for Partial Summary Judgment Calendared for Hearing on July 29, 2013 at 9:30 AM
	ORDR	OPPELT	Order Granting Plaintiffs Motion to Appear Telephonically at Plaintiff's Motions for Partial Summary Judgment Calendared for Hearing on July 29, 2013 at 9:30 AM
7/15/2013	MISC	HENDRICKSO	R.E. Loans, LLC's Amended Cross-Claim Against North Idaho Resorts, LLC
	MOTN	HENDRICKSO	Defendant North Idaho Resort, LLC's Motion for Enlargement of Time
	AFFD	HENDRICKSO	JV, LLC's Affidavit of James W. Berry in Opposition to Plaintiff's Motion for Partial Summary Judgment
	MEMO	HENDRICKSO	JV, LLC's Memorandum in Opposition to Plaintiff's Motion for Partial Summary Judgment
	MEMO	HENDRICKSO	Defendant North Idaho Resort, LLC's Memorandum in Opposition to Plaintiff's Motion for Summary Judgment
	AFFD	HENDRICKSO	Affidavit of Weeks in Opposition to Plaintiff's Motion for Summary Judgment
	MISC	HENDRICKSO	*****END OF FILE #5*****BEGIN FILE #6*****
7/16/2013	AFFD	HENDRICKSO	Affidavit of Richard Villelli in Opposition to Plaintiff's Motion for Summary Judgment
7/18/2013	MOTN	OPPELT	R.E. Loans, LLC's Motion for Partial Summary Judgment Against North Idaho Resorts, LLC
	MEMO	OPPELT	R.E. Loans, LLC's Memorandum in Support of Motion for Partial Summary Judgment
	AFFD	OPPELT	Affidavit of Chad M. Nicholson in Support of R.E. Loans, LLC's Motion for Partial Summary Judgment Against North Idaho Resorts, LLC
	NOTC	OPPELT	R.E. Loans, LLC's Request for Judicial Notice Pursuant to I.R.E. 201(b)
	NOFH	OPPELT	Notice Of Telephonic Hearing on R.E. Loans, LLC's Motion for Partial Summary Judgment Against North Idaho Resorts, LLC
	HRSC	OPPELT	Hearing Scheduled (Motion for Partial Summary Judgment 08/26/2013 03:00 PM) In Idaho County - Telephonic

Date	Code	User	Judge
7/19/2013	NOTC	BOWERS	Defendants Dan S. Jacobson, Sage Holdings, LLC, and Steven G. Lazar's Notice of Intent to Appear by Telephone
7/23/2013	REPL	BOWERS	Plaintiff's Reply Memorandum to Defendant JV, LLC's Opposition to Plaintiff's Motion for Partial Summary Judgment
7/24/2013	REPL	BOWERS	Plaintiff's Reply Memorandum to Defendant North Idaho Resorts, LLC's Opposition to Plaintiff's Motion for Partial Summary Judgment
	NOTC	BOWERS	R.E. Loans, LLC's Notice of Intent to Appear Telephonically
7/25/2013	NOTC	OPPELT	Defendant's North Idaho Resort. LLC's Notice of Intent to Appear by Phone
	MISC	HENDRICKSO	*****END OF FILE #6***BEGIN FILE #7*****
7/29/2013	DCHH	HENDRICKSO	Hearing result for Motion for Partial Summary Judgment scheduled on 07/29/2013 09:30 AM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: (To be heard in Idaho County) - Susan Weeks telephonic
8/7/2013	NOSV	HENDRICKSO	Notice of Service of Plaintiff's First Set of Interrogatories and Requests for Production to North Idaho Resorts
8/12/2013	CERT	HENDRICKSO	Amended Certificate of Service re: Defendant North Idaho Resort, LLC's Memorandum in Opposition to RE Loans Motion for Partial Summary Judgment
	NOSV	HENDRICKSO	Notice of Service of Plaintiff's First Set of Interrogatories and Requests for Production to JV, LLC
	AFFD	HENDRICKSO	James W. Berry's Affidavit in Opposition to R.E. Loans's Motion for Partial Summary Judgment
	MEMO	HENDRICKSO	Defendant North Idaho Resort, LLC's Memorandum in Opposition to R.E. Loan's Motion for Partial Summary Judgment
8/13/2013	NOSV	HENDRICKSO	Notice of Service of Plaintiff's Second Set of Interrogatories and Requests for Production to JV, LLC
8/20/2013	NOTC	HENDRICKSO	Notice Vacating Hearing on R.E. Loans, LLC's Motion for Partial Summary Judgment Against North Idaho Resorts, LLC
	STIP	HENDRICKSO	Stipulation as to Claims of North Idaho Resorts, LLC Against R.E. Loans, LLC
	MISC	HENDRICKSO	R.E. Loans, LLC Disclaimer of Interest In Trestle Creek

Date	Code	User	Judge
8/22/2013	HRVC	HENDRICKSO	Hearing result for Motion for Partial Summary Judgment scheduled on 08/26/2013 03:00 PM: Hearing Vacated In Idaho County - Telephonic
	HRVC	HENDRICKSO	Hearing result for Motion for Partial Summary Judgment scheduled on 08/26/2013 03:00 PM: Hearing Vacated In Idaho County - Telephonic - Per Judge Griffin by phone 8-22-2013 / 924am
8/28/2013	MEMO	HENDRICKSO	Memorandum on Partial Summary Judgment RE JV, LLC
	ORDR	HENDRICKSO	Order Granting Partial Summary Judgment RE JV, LLC
	MEMO	HENDRICKSO	Memorandum on Partial Summary Judgment RE NIR
	ORDR	HENDRICKSO	Order Granting Partial Summary Judgment RE NIR in Part
	REQU	HENDRICKSO	JV, LLC's Request to Charles Reeves - For Docuemtns re: His Deposition of August 19, 13
9/3/2013	MISC	HENDRICKSO	M&M Court Reporting Service, Inc re: Deponent: James W. Berry
	MISC	HENDRICKSO	M&M Court Reporting Service, Inc re: Deponent: Gary A. Finney, Esq.
9/5/2013	MISC	HENDRICKSO	M&M Court Reporting Service, Inc re: Deponent: Charles Reeves
9/11/2013	STIP	HENDRICKSO	Stipulation as to Claims of JV, LLC Against R.E. Loans, LLC
	MISC	HENDRICKSO	M&M Court Reporting Service, Inc re: Deponent Richard A. Villelli
9/16/2013		BRACKETT	Miscellaneous Payment: For Making Copy Of Any File Or Record By The Clerk, Per Page Paid by: North Idaho Title Receipt number: 0496919 Dated: 9/16/2013 Amount: \$22.00 (Check)
		BRACKETT	Miscellaneous Payment: For Certifying The Same Additional Fee For Certificate And Seal Paid by: North Idaho Title Receipt number: 0496919 Dated: 9/16/2013 Amount: \$6.00 (Check)
9/18/2013		BOWERS	Miscellaneous Payment: For Making Copy Of Any File Or Record By The Clerk, Per Page Paid by: Bonner Comm Golf & Recreation Receipt number: 0497073 Dated: 9/18/2013 Amount: \$10.00 (Check)
9/19/2013	REQU	HENDRICKSO	R.E. Loans, LLC's Request for Documents form Deponent Clarkes Reeves [Re: August 19, 2013 Deposition]
	MOTN	HENDRICKSO	JV, LLC's Motion to Alter and Amend Order Granting Partial Summary Judgment RE: JV, LLC, and Motion to Reconsider
9/27/2013	STIP	HENDRICKSO	Stipulation to Continue Trial

Date	Code	User	Judge
9/30/2013	ORDR	HENDRICKSO	Order to Continue Trial - Granted
	CONT	HENDRICKSO	Hearing result for Court Trial - 3 Days scheduled on 10/30/2013 09:00 AM: Continued In Bonner County - By Stipulated Order
	MISC	HENDRICKSO	Plaintiff's Preliminary Opposition to Motion to Alter and Amend Order Granting Partial Summary Judgment and Motio to Reconsider by JV, LLC
	CINF	HENDRICKSO	At the time the above Plaintiff's Preliminary Opposition was file, no notice of hearing filed. waiting for dec court calendar. email to Jane (Judge Griffin's clerk) to advise. I will contact her again on Monday 10-7
10/1/2013	HRVC	HENDRICKSO	Hearing result for Pretrial Conference scheduled on 10/08/2013 09:00 AM: Hearing Vacated In Idaho County - Per Judge Griffin
10/9/2013	HRSC	HENDRICKSO	Hearing Scheduled (Motion 12/20/2013 10:30 AM) Re: JV, LLC's Motion to Alter/Reconsider
10/16/2013	NOSV	HENDRICKSO	Notice of Service of Defendant North Idaho Resorts, LLC's Answer and Responses to Plaintiff's First Set of Interrogatoreis and Requests for Production of Documents to North Idaho Resorts, LLC
	RSPN	HENDRICKSO	Plaintiff's Response to Defendant's Objection and Reply in Support of Motion for Leave to Amend Complaint and Add Defendant's
10/25/2013	NOSV	HENDRICKSO	JV, LLC's Notice of Serving Answers to Union Bank's First and Second Set of Discovery Requests to JV, LLC
11/4/2013	MISC	HENDRICKSO	M&M Court Reporting Service, Inc Deponent: Charles Reeves
	MISC	HENDRICKSO	M&M Courst Reporting Service, Inc Deponent: Richard A. Vilelli
11/21/2013	RQTS	HENDRICKSO	Request For Trial Setting
11/27/2013	NOHG	HENDRICKSO	Second Amended Notice of Hearing on Motion to Enter Judgment
12/2/2013	HRSC	HENDRICKSO	Hearing Scheduled (Hearing Scheduled 12/06/2013 11:00 AM) Telephone Conference
		HENDRICKSO	Notice Of Hearing
	RQTS	HENDRICKSO	R.E. Loans, LLC's Response to Request for Trial Setting
12/4/2013	CONT	HENDRICKSO	Continued (Hearing Scheduled 12/06/2013 01:00 PM) Telephone Conference - Attorney's to contact court
		HENDRICKSO	Amended Notice Of Hearing

Date	Code	User	Judge
12/6/2013	DCHH	HENDRICKSO	Hearing result for Hearing Scheduled scheduled on 12/06/2013 01:00 PM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: Telephone Conference - Attorney's to contact court
12/9/2013	ORDR	HENDRICKSO	Order for Hearing re: Trial Setting
	ORDR	HENDRICKSO	Order for Hearing re: JV, LLC's Motion to Alter/Reconsider
	HRSC	HENDRICKSO	Hearing Scheduled (Hearing Scheduled 12/09/2013 10:30 AM) re: Trial Setting
	CONT	OPPELT	Hearing result for Hearing Scheduled scheduled on 12/09/2013 10:30 AM: Continued re: Trial Setting - To 12-20-13
12/12/2013	MISC	HENDRICKSO	Acknowledgment Pursuant to Rule 16(k)(7) IRCP Regarding Case Status/Mediation - Mediation did not result in a resolution of the case
12/13/2013	NOTC	HENDRICKSO	R.E. Loans, LLC's Notice re: Order for Hearing re: JV, LLC's Motion to Alter/Reconsider
12/16/2013	OBJC	HENDRICKSO	Plaintiff's Written Objections to Presented Evidence by JV, LLC
	MEMO	HENDRICKSO	Plaintiff's Memorandum in Opposition to Motin to Alter and Amend Order Granting Partial Summary Judgment and Motion to Reconsider by JV, LLC
12/20/2013	CMIN	RASOR	Court Minutes Hearing type: Motion Hearing date: 12/20/2013 Time: 10:17 am Courtroom: Court reporter: Minutes Clerk: Sandra Rasor Tape Number: 1
	DCHH	OPPELT	Hearing result for Motion scheduled on 12/20/2013 10:30 AM: District Court Hearing Held Court Reporter: None Number of Transcript Pages for this hearing estimated: Re: JV, LLC's Motion to Alter/Reconsider - More Than 100 Pages
1/3/2014	FFCL	HENDRICKSO	Amended Finding and Conclusions
	ORDR	HENDRICKSO	Order Affirming Partial Summary Judgment Re: JV, LLC
1/14/2014	HRSC	OPPELT	Hearing Scheduled (Court Trial - 5 Days 05/12/2014 09:00 AM) In Bonner County
		OPPELT	Amended Notice Of Trial
1/21/2014	NSSC	HENDRICKSO	Notice of Substitution of Handling Attorney

Date	Code	User	Judge
1/21/2014	APER	HENDRICKSO	Defendant: North Idaho Resorts LLC, an Idaho limited liability Appearance Susan P. Weeks
1/23/2014	MOTN	HENDRICKSO	Plaintiff's Motion for Enlargement of Time for Filing of Affidavit in Support of Memorandum of Attorney's Fees and Costs as to Defendant JV, LLC
	MEMO	HENDRICKSO	Plaintiff's Memorandum of Attorney's Fees and Costs as to Defendant JV, LLC
1/24/2014	CINF	HENDRICKSO	Documents faxed to Judge Griffin
1/30/2014	MOTN	HENDRICKSO	JV, LLC's Motion to Deny Plaintiff's Motion for Enlargement of Time, and JV, LLC's Objection and Motion to Disallow Plaintiff's Memorandum of Attorney's Fees and Costs as Related to JV, LLC
2/7/2014	MEMO	HENDRICKSO	Plaintiff's Supplemental Memorandum of Attorney's Fees and Costs as to Defendant JV, LLC; and Reply to Opposition Submitted by JV, LLC
	AFFD	HENDRICKSO	Affidavit of John E. Miller in Support of Plaintiff's Memorandum of Attorney's Fees and Costs as to Defendant JV, LLC
2/18/2014	MOTN	OPPELT	JV, LLC's Motion to Deny Plaintiff's Supplemental Memorandum of Attorney's Fees and Costs as to Defendant, JV, LLC, and JV, LLC's Objection and Motion to Disallow Plaintiff's Supplemental Memorandum of Attorney's Fees and Costs as Related to JV, LLC
2/20/2014	REPL	OPPELT	Plaintiff's Reply to Motion and Objection Submitted by JV, LLC on February 18, 2014 Request for Telephonic Hearing
3/6/2014	NOFH	OPPELT	Notice Of Hearing
	HRSC	OPPELT	Hearing Scheduled (Motion for Attorney fees and Costs 03/26/2014 09:00 AM) (Pacific Standard Time) - To be held in Idaho County
3/7/2014	LETT	OPPELT	Letter From John E. Miller
3/18/2014		KRAMES	Miscellaneous Payment: Tape/copy Time Fee Paid by: Finney, Finney & Finney Receipt number: 0004457 Dated: 3/18/2014 Amount: \$5.00 (Check)
		KRAMES	Miscellaneous Payment: Court Tape Fee Paid by: Finney, Finney & Finney Receipt number: 0004457 Dated: 3/18/2014 Amount: \$1.25 (Check)
		KRAMES	Miscellaneous Payment: Court Tape Sales Tax Paid by: Finney, Finney & Finney Receipt number: 0004457 Dated: 3/18/2014 Amount: \$.08 (Check)

Date	Code	User	Judge
3/19/2014		HUMRICH	Miscellaneous Payment: For Making Copy Of Any File Or Record By The Clerk, Per Page Paid by: Finney, Finney & Finney Receipt number: 0004569 Dated: 3/19/2014 Amount: \$3.00 (Check)
	MOTN	HENDRICKSO	JV, LLC's Motion to Compel the Union Bank Plaintiff to Produce Docuemtns, Motion to Vacate and Continue Trial, and Request for Expedited Telephone Hearing
3/20/2014	MOTN	HENDRICKSO	JV, LLC's Supplement to Motion to Compel the Union Bank Plaintiff to Produce Documents (The Court Record of the Hearing 12-20-2013)
3/26/2014	DCHH	HENDRICKSO	Hearing result for Motion for Attorney fees and Costs scheduled on 03/26/2014 09:00 AM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: (Pacific Standard Time) - To be held in Idaho County
3/27/2014	MEMO	HENDRICKSO	Plaintiff's Memorandum in Opposition to Motion to Compel and to Vacate and Continue Trial by JV, LLC: and Motion for Proitective Order
	AFFD	HENDRICKSO	Affidavit of John E. Miller in Support of Opposition to JV, LLC's Motion to Compel and Continue Trial; and in Support of Motion For Protection Order
	MISC	HENDRICKSO	Errata Attachment to Affidavit of John E. Miller in Support of Opposition to JV, LLC's Moton to Compel and Continue Trial; and in Support of Motion for Protective Order
4/3/2014	REQU	HENDRICKSO	Plaintiff's Request for Pretrial Conference
	WITN	HENDRICKSO	Supplemental Plaintiff's Expert Witness Disclosure
	CINF	HENDRICKSO	Plaintiff's Request for Pretrial Conference faxed to Judge for review
4/7/2014	NOTC	HENDRICKSO	IRCP 30(b)(6) Notice of Taking Deposition Duces Tecum of Union Bank
4/8/2014	OBJC	HENDRICKSO	Plaintiff's Objection to North Idaho Resorts, LLC's Notice of Taking Deposition Duces Tecum of Union Bank
4/9/2014	ANSW	HENDRICKSO	Defendants Dan S. Jacobson, Sage Holdings, LLC, and Steven G. Lazar's Answer to North Idaho Resorts, LLC's Cross-Claim
4/17/2014	ORDR	HENDRICKSO	Order re: Discovery

Date	Code	User	Judge
4/22/2014	DCHH	HENDRICKSO	District Court Hearing Held Court Reporter: Christy Gering Number of Transcript Pages for this hearing estimated:
	CTLG	HENDRICKSO	Court Log- Telephonic Final Pretrial Conference
4/28/2014	CERT	HENDRICKSO	Amended Certificate of Service re: Defendant North Idaho Resort, LLC's Witness List and Exhibits List
	EXHB	HENDRICKSO	Exhibit List (Defendant North Idaho Resort, LLC)
	WITN	HENDRICKSO	Witness List (Defendant North Idaho Resort, LLC)
4/29/2014	MEMO	HENDRICKSO	JV, LLC's Pre-Trial Memorandum Witnesses and Exhibits
4/30/2014	EXHB	HENDRICKSO	JV, LLC's Amended Exhibit List
	WITN	HENDRICKSO	Defendants Dan S. Jacobson, Sage Holdings, LLC and Steven G. Lazar's Designation of Witnesses and Exhibits
	MISC	OPPELT	*****Begin File No. 8*****
5/1/2014	MOTN	OPPELT	Plaintiff's Motion in Limine for Evidence Exclusion Order
	HRSC	OPPELT	Hearing Scheduled (Motion in Limine 05/12/2014 09:00 AM)
	EXHB	HENDRICKSO	Amendment to Mailing of JV, LLC's Exhibits
	LETT	HENDRICKSO	Letter from Court to all Parties
5/5/2014	MOTN	HENDRICKSO	Motion Approving Stipulation
	CINF	HENDRICKSO	Docuemnts sent to Judge Griffin re: Motion Approving Stipulation Order Approving Stipulation Order in jo's pending no sase Original Motion to file
		HUMRICH	Miscellaneous Payment: For Making Copy Of Any File Or Record By The Clerk, Per Page Paid by: Featherston Law Firm, CHTD. Receipt number: 0007265 Dated: 5/5/2014 Amount: \$41.00 (Check)
5/6/2014	ORDR	HENDRICKSO	Order Approving Stipulation
5/7/2014	MISC	HENDRICKSO	Original deposition transcript for the depoisiton of Richard Villelli of North Idaho Resors, LLC
	EXHB	HENDRICKSO	Plaintiff's Exhibit List
	NOTC	HENDRICKSO	IRCP 30(b)(6) Notice of Taking deposition DUCes Tecum of Union Bank

Date	Code	User	Judge
5/8/2014		HUMRICH	Filing: 11 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Featherston Law Firm, CHTD Receipt number: 0007549 Dated: 5/8/2014 Amount: \$66.00 (Check) For: Pensco Trust Co. (defendant)
	APER	HENDRICKSO	Defendant: Pensco Trust Co. Appearance Brent Featherston
	APER	HENDRICKSO	Special Appearance on Behalf of Defendant Pensco Trust Co., CUstodian FBO Barney NG
	MOTN	HENDRICKSO	Motion to Set Aside Default, Motion to Shorten Time and Notice of Hearing
	AFFD	HENDRICKSO	Affidavit of Counsel
	HRSC	HENDRICKSO	Hearing Scheduled (Motion to Set Aside Default 05/12/2014 09:00 AM) Defendant Pensco Trusts' Motion
	ANSW	HENDRICKSO	JV L.L.C. 'S Answer to North Idaho Resorts, LLC's Cross-Claim
	AFFD	HENDRICKSO	Affidavit of Barney NG
5/9/2014	OBJC	HENDRICKSO	JV LLC's Objection and Motionj to Set Aside the Court's Letter to Counsel, Dated April 30, 2014 and Motion to Reconsider
	REQU	HENDRICKSO	Request for Judicial Notice
5/12/2014	SUBP	HENDRICKSO	Trial Subpoena Duces Tecum - Rick Lynskey
	AFSV	HENDRICKSO	Affidavit Of Service - re: Trial Subpoena Duces Tecum served upon Rick Lynskey 5-08-2014
	REQU	HENDRICKSO	JV L.L.C. 'S Request for Clerk's Recording and Reporter's Typed Transcript of the District Court's Remarks and Rulings in Open Court on May 12, 2014 Prior to Actual Trial Commencement
	CMIN	AYERLE	Court Minutes Hearing type: Court Trial - Day 1 and Mtn Set Aside Default Hearing date: 5/12/2014 Time: 9:05 am Courtroom: Court reporter: Keith Evans Minutes Clerk: Susan Ayerle Tape Number: 1 Pl Union Bank by Terrilyn Baron with John Miller Def North Idaho Resorts by Richard Vilelli with Susan Weeks Brent Featherston for Def Pensco Trust

Date	Code	User	Judge
5/12/2014	DCHH	OPPELT	Hearing result for Motion to Set Aside Default scheduled on 05/12/2014 09:00 AM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: Defendant Pensco Trusts' Motion - 375 Pages
	DENY	OPPELT	Hearing result for Motion to Set Aside Default scheduled on 05/12/2014 09:00 AM: Motion Denied
	HRVC	OPPELT	Hearing result for Motion in Limine scheduled on 05/12/2014 09:00 AM: Hearing Vacated - Not Addressed
	CTST	OPPELT	Hearing result for Court Trial - 5 Days scheduled on 05/12/2014 09:00 AM: Court Trial Started (in Bonner County) Day 1
	EXHB	OPPELT	Exhibit List - Norith Idaho Resort LLC's
	EXHB	OPPELT	Exhibit List - Union Bank, N.A.
	EXHB	OPPELT	Exhibit List - JV, LLC
5/13/2014	CMIN	AYERLE	Court Minutes Hearing type: Court Trial - Day 2 Hearing date: 5/13/2014 Time: 9:01 am Courtroom: Court reporter: Keith Evans Minutes Clerk: Susan Ayerle Tape Number: 1 Pl Union Bank by Terrilyn Baron with John Miller Def North Idaho Resorts by Richard Villelli with Susan Weeks
	DCHH	OPPELT	Hearing result for Court Trial (Day 2) scheduled on 05/13/2014 09:00 AM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: Day 2 - 375 Pages
5/14/2014	CINF	HUMRICH	Clerk Information - Spoke w/ Tiffany @ Finney's regarding request for District Court transcript request. They have to go through court reporter
6/3/2014	LETT	HENDRICKSO	Letter from Court to Parties
	MISC	HENDRICKSO	Findings
6/5/2014	RUDM	HENDRICKSO	Returned/undeliverable Mail - sent to correct address / (Findings) sent to Attorney J. Miller

Date	Code	User	Judge
6/17/2014		HUMRICH	Miscellaneous Payment: For Making Copy Of Any File Or Record By The Clerk, Per Page Paid by: Sandpoint Title Insurance Receipt number: 0009962 Dated: 6/17/2014 Amount: \$5.00 (Cash)
6/19/2014	NOTC	KRAMES	Notice Of Change Of Address (John E. Miller)
6/25/2014	JDMT	CMOORE	Judgment and Decree of Foreclosure as to all Defendants (8 pages)
7/15/2014	MINE	OPPELT	Minute Entry - Regarding Clock in Date of Judgment
	ORDN	HENDRICKSO	Order Denying Attorney Fee
7/16/2014	MOTN	HENDRICKSO	Plaintiff's Motion for Enlargement of Time for Filing of Affidavit in Support of Memorandum of Attorney's Fees and Costs as to Defendant North Idaho Resorts, LLC
	MEMO	HENDRICKSO	Plaintiff's Memorandum of Attorney's Fees and Costs as to Defendant North Idaho Resorts, LLC
7/17/2014	MEMO	HENDRICKSO	Plaintiff's Supplemental Memorandum of Attorney's Fees and Costs as to Defendant North Idaho Resorts, LLC
	AFFD	HENDRICKSO	Affidavit of John E. Miller in Support of Plaintiff's Memorandum of Attorney's Fees and Costs as to Defendant North Idaho Resorts, LLC
7/18/2014	NOTC	HENDRICKSO	Notice of Change of Firm Affiliation
7/21/2014	RUDM	HENDRICKSO	Returned/undeliverable Mail - Conformed copy for Attorney J. Miller - re sent to correct address
7/23/2014	CINF	HENDRICKSO	Plaintiff's Motion for Enlargement of Time, Memorandum of Attorney's Fees and Order emailed to Judge Griffin
	ORDG	HENDRICKSO	Order for Enlargement of Time for Filing of Affidavit in Support of Memorandum of Attorney's Fees and Costs as to Defendant North Idaho Resorts, LLC
7/30/2014	MOTN	HENDRICKSO	Defendant North Idaho Resort, LLC's Motion for Enlargement of Time
	OBJC	HENDRICKSO	Objection to Memorandum of Attorney's Fees and Costs Requested By Union Bank Against North Idaho Resorts, LLC and Motion for Enlargement of Time
	MEMO	HENDRICKSO	Memorandum Supporting Objection to Memorandum of Attorney's Fees and Costs Requested by Union Bank Against North Idaho Resorts, LLC and Motion for Enlargement of Time

Case: CV-2011-0000135 Current Judge: Idaho Supreme Court
 MUFG Union Bank N.A. vs. Pend Oreille Bonner Development, LLC, et al.

Date	Code	User	Judge
8/5/2014	REPL	HENDRICKSO	Plaintiff's Reply to Objection Submitted by North Idaho Resorts, LLC to Plaintiff's Memorandum of Fees/Costs Idaho Supreme Court
8/6/2014		HUMRICH	Filing: L4 - Appeal, Civil appeal or cross-appeal to Supreme Court Paid by: Weeks, Susan P. (attorney for North Idaho Resorts LLC, an Idaho limited liability) Receipt number: 0012834 Dated: 8/6/2014 Amount: \$129.00 (Check) For: North Idaho Resorts LLC, an Idaho limited liability (defendant) Michael J Griffin
	BNDC	HUMRICH	Bond Posted - Cash (Receipt 12835 Dated 8/6/2014 for 100.00) Michael J Griffin
	BNDC	HUMRICH	Bond Posted - Cash (Receipt 12836 Dated 8/6/2014 for 200.00) Michael J Griffin
	APSC	HUMRICH	Appealed To The Supreme Court Michael J Griffin
	NOTA	HUMRICH	NOTICE OF APPEAL (North Idaho Resort) Michael J Griffin
	CHJG	HUMRICH	Change Assigned Judge Idaho Supreme Court
8/8/2014		HUMRICH	Filing: L4 - Appeal, Civil appeal or cross-appeal to Supreme Court Paid by: Finney, Finney & Finney, PA Receipt number: 0012981 Dated: 8/8/2014 Amount: \$129.00 (Check) For: JV L.L.C. (defendant) Michael J Griffin
	BNDC	HUMRICH	Bond Posted - Cash (Receipt 12982 Dated 8/8/2014 for 100.00) Michael J Griffin
	BNDC	HUMRICH	Bond Posted - Cash (Receipt 12984 Dated 8/8/2014 for 200.00) Michael J Griffin
	NOTA	HUMRICH	NOTICE OF APPEAL - (JV LLC) Idaho Supreme Court
8/13/2014	NOHG	HENDRICKSO	Notice Of Hearing re: Plaintiff's Motion for Attorney Fees and Costs as to Defendant North Idaho Resorts, LLC and all Objection to be heard telephonically on September 8, 2014 08:30am Idaho Supreme Court
	HRSC	HENDRICKSO	Hearing Scheduled (Motion for Attorney fees and Costs 09/08/2014 08:30 AM) Plaintiff's Motion for Attorney Fees and Costs as to Defendant North Idaho Resorts, LLC and all objections will be heard telephonically Michael J Griffin
8/26/2014	NOTA	HUMRICH	First Amended Notice of Appeal - North Idaho Resorts, Inc. Idaho Supreme Court
8/27/2014	STIP	HENDRICKSO	Stipulation to Continue Hearing Idaho Supreme Court
9/5/2014	ORDR	BOWERS	Order to Continue Plaintiff's Motion for Attorney's Fees and Costs as to Defendant North Idaho Resorts, LLC Michael J Griffin

Case: CV-2011-0000135 Current Judge: Idaho Supreme Court
 MUFG Union Bank N.A. vs. Pend Oreille Bonner Development, LLC, et al.

Date	Code	User		Judge
9/5/2014	CONT	BOWERS	Hearing result for Motion for Attorney fees and Costs scheduled on 09/08/2014 08:30 AM: Continued Plaintiff's Motion for Attorney Fees and Costs as to Defendant North Idaho Resorts, LLC and all objections will be heard telephonically	Michael J Griffin
9/8/2014	CCOA	HUMRICH	Clerk's Certificate Of Appeal	Idaho Supreme Court
9/9/2014	MOTN	HENDRICKSO	Plaintiff's Third Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name	Idaho Supreme Court
	AFFD	HENDRICKSO	Affidavit of Counsel in Support of Plaintiff's Third Motion to Amend the Caption and Reference to Plaintiff in The First Amended Complaint and Subsequent Judgment by Virtue of Name Change	Idaho Supreme Court
	NOHG	HENDRICKSO	Notice of Hearing re: Plaintiff's Third Motion to Amend Caption and Reference to Plaintiff	Idaho Supreme Court
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 09/29/2014 02:30 PM) Plaintiff's Thrid Motion to Amend Caption and Reference to Plaintiff	Michael J Griffin
	NOHG	HENDRICKSO	Corrected Notice of Hearing re: Plaintiff's Third Motion to Amend Caption and Reference to Plaintiff	Idaho Supreme Court
9/10/2014	ORDG	HENDRICKSO	Order Granting Plaintiffs Request for All Interested Parties to Appear Telephonically at its Motion Calendared for Hearing on September 29, 2014 230pm	Idaho Supreme Court
	RUDM	HENDRICKSO	Returned/undeliverable Mail - Order dated 9-10-14 for Attorney Anderson - resent to the correct address	Idaho Supreme Court
9/12/2014	NOTC	HENDRICKSO	Defendant North Idaho Resort's Notice of No Objection to Plaintiff's Third Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change	Idaho Supreme Court
9/16/2014	MISC	HENDRICKSO	Fax cover sheet from Attorney Miller to all parties re: Hearing set for Septmeber 29, 2014	Idaho Supreme Court
9/17/2014	SCDF	HUMRICH	Supreme Court Document Filed- "ORDER CONDITIONALLY DISMISSING APPEAL"; rec'd via email from ISC	Idaho Supreme Court
9/19/2014	JDMT	HENDRICKSO	Summary Judgment as to JV, LLC Rule 54(b) Certificate	Idaho Supreme Court
	JDMT	HENDRICKSO	Judgment and Decree of Foreclosure as to North Idaho Resorts, LLC Rule 54(b) Certificate	Idaho Supreme Court
9/23/2014	OBJC	BOWERS	JV L.L.C.'s Objection to Plaintiff's Third Motion to Amend Caption and Reference To Plaintiff Based on District Court Lack of Jurisdiction	Idaho Supreme Court
9/29/2014	STMT	HENDRICKSO	Statement of No Objection	Idaho Supreme Court

Date	Code	User	Judge
9/29/2014	DCHH	HENDRICKSO	Hearing result for Motion scheduled on 09/29/2014 02:30 PM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: Parties to Appear Telephonically Plaintiff's Thrid Motion to Amend Caption and Reference to Plaintiff
	GRNT	HENDRICKSO	Hearing result for Motion scheduled on 09/29/2014 02:30 PM: Motion Granted Parties to Appear Telephonically Plaintiff's Thrid Motion to Amend Caption and Reference to Plaintiff
10/3/2014	NOFH	OPPELT	Notice Of Hearing Idaho Supreme Court
	HRSC	OPPELT	Hearing Scheduled (Motion for Attorney fees and Costs 10/20/2014 09:45 AM) Telephonic in Idaho County. Michael J Griffin
10/20/2014	DCHH	HENDRICKSO	Hearing result for Motion for Attorney fees and Costs scheduled on 10/20/2014 09:45 AM: District Court Hearing Held Court Reporter: none Number of Transcript Pages for this hearing estimated: Telephonic in Idaho County. Michael J Griffin
10/24/2014	ORDR	OPPELT	Order Denying Attorney Fees Idaho Supreme Court
	MISC	OPPELT	Findings Idaho Supreme Court
10/27/2014	SCDF	HUMRICH	Supreme Court Document Filed- "SECOND ORDER CONDITIONALLY DISMISSING APPEAL" Idaho Supreme Court
	JDMT	HENDRICKSO	Final Judgment as to JV, LLC Rule 54(b) Certificate Idaho Supreme Court
	CDIS	HENDRICKSO	Civil Disposition entered for: JV L.L.C., Defendant; Union Bank, National Association, Plaintiff. Filing date: 10/27/2014 Idaho Supreme Court
10/31/2014	RUDM	OPPELT	Returned/undeliverable Mail - Findings and Order Denying Attorney Fees Sent to John Miller - Resent to Corrected Address on 11-4-14 Idaho Supreme Court
11/3/2014		HUMRICH	Miscellaneous Payment: For Comparing And Conforming A Prepared Record, Per Page Paid by: Finney & Finney Receipt number: 0017476 Dated: 11/3/2014 Amount: \$2.00 (Check) Idaho Supreme Court
		HUMRICH	Miscellaneous Payment: For Certifying The Same Additional Fee For Certificate And Seal Paid by: Finney & Finney Receipt number: 0017476 Dated: 11/3/2014 Amount: \$1.00 (Check) Idaho Supreme Court
11/5/2014	NOTC	HENDRICKSO	JV's Notice of Obtaining Final Judgment from the District Court Idaho Supreme Court
11/10/2014	SCDF	HUMRICH	Supreme Court Document Filed- "JV's Notice of Obtaining Final Judgment from the District Court"; rec'd via email Idaho Supreme Court

Date	Code	User	Judge
11/10/2014	MISC	HUMRICH	Docket #42479-2014 - Clerk's Records due 1/12/2015
	MISC	HUMRICH	*****Begin File No. 9*****
11/17/2014	NOTA	HUMRICH	AMENDED NOTICE OF APPEAL
12/3/2014	ORDG	HENDRICKSO	Order Granting Third Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint and Judgment by Virtue of Name Change
12/4/2014	JDMT	HENDRICKSO	Final Judgment as to Pend Oreille Bonner Development, LLC Rule 54(b) Certificate
12/5/2014	REQU	HENDRICKSO	Plaintiff's Request for Issuance of Rule 54(b) Certificate
12/8/2014	RUDM	HENDRICKSO	Returned/undeliverable Mail - re-sent to the correct address
12/11/2014	SCDF	HUMRICH	Supreme Court Document Filed- Amended Notice of Appeal (Due date remains for 1/12/2015)
12/19/2014	APPL	HENDRICKSO	Application and Affidavit for Writ of Execution -
	WRIT	HENDRICKSO	Writ of Execution - Mortgage Foreclosure - copy to file
12/24/2014		HENDRICKSO	Miscellaneous Payment: Writs Of Execution Paid by: The Law Office of John E Miller Receipt number: 0019877 Dated: 12/24/2014 Amount: \$2.00 (Check)
12/29/2014	SCDF	HUMRICH	Supreme Court Document Filed- (Docket #42467) ORDER GRANTING COURT REPORTER'S MOTION FOR EXTENSION OF TIME FOR TRANSCRIPT OVER 500 PAGES - RESET DUE DATES, DUE 2/24/2015
	SCDF	HUMRICH	Supreme Court Document Filed (Docket #42479) - ORDER GRANTING COURT REPORTER'S MOTION FOR EXTENSION OF TIME FOR TRANSCRIPT OVER 500 PAGES - RESET DUE DATES, DUE 2/24/2015
12/30/2014	SCDF	HUMRICH	Supreme Court Document Filed- Order Consolidating Appeals for Clerk's Record & Reporter's Transcript ONLY
1/5/2015	SCDF	HUMRICH	Supreme Court Document Filed- Court Reporter's Motion for time to File a Transcript Estimated to be over 500 Pages
1/8/2015	SCDF	HUMRICH	Supreme Court Document Filed- Notice of Appearance
	APER	HUMRICH	Notice of Appearance - Christopher Pooser for Union Bank, in appeal Docket #42467
	APER	HUMRICH	Plaintiff: MUFG Union Bank N.A. Appearance W Christopher Pooser

Date	Code	User	Judge
1/8/2015	APER	HUMRICH	Notice of Appearance - Christopher Pooser for Union Bank, in appeal Docket #42479
	SCDF	HUMRICH	Supreme Court Document Filed- Notice of Appearance
1/15/2015	SCDF	HUMRICH	Supreme Court Document Filed- Court Reporter's Motion for Time to File a Transcript Estimated to be over 500 Pages - Granted due 2/20/2015
2/3/2015		ROSS	Miscellaneous Payment: Writs Of Execution Paid by: John Miller Receipt number: 0001565 Dated: 2/3/2015 Amount: \$2.00 (Check)
	WRRT	HENDRICKSO	Writ of Execution Returned - Mortgage Foreclosur original to file
	WRIT	HENDRICKSO	Writ of Execution Issued - Mortgage Foreclosure - copy to file
3/3/2015	NOTC	HUMRICH	Notice of Lodging - by Keith Evans for transcripts of Motion Hearing held on 4/19/2013, Motion Hearing held on 7/29/2013, Motion Hearing held on 12/20/2013 and Court Trials held on 5/12-5/13/2014
	MISC	HUMRICH	Invoice dated 2/28/2015 from K & K Reporting for transcripts of Motion Hearing held on 4/19/2013, Motion Hearing held on 7/29/2013, Motion Hearing held on 12/20/2013 and Court Trials held on 5/12-5/13/2014 - \$1511.25
	TRAN	HUMRICH	Transcript Filed - by Keith Evans Motion Hearing held on 4/19/2013, Motion Hearing held on 7/29/2013, Motion Hearing held on 12/20/2013 and Court Trials held on 5/12-5/13/2014
	CINF	HUMRICH	Re: Invoice for transcripts from K & K Reporting - needs billed to JV, LLC \$1511.25
3/4/2015	MISC	HUMRICH	Invoice dated 3/4/2015 from K & K Reporting for transcripts \$465
3/13/2015	MISC	HUMRICH	Disclaimer
3/16/2015	LETT	HUMRICH	Letter to Finney's Office - Balance due on transcripts for appeal \$1311.25
	LETT	HUMRICH	Letter to Week's Office - Balance due on transcript for appeal \$265.00
3/24/2015	BNDC	ROSS	Bond Posted - Cash (Receipt 4334 Dated 3/24/2015 for 1311.25)
3/26/2015	BNDC	HUMRICH	Bond Posted - Cash (Receipt 4428 Dated 3/26/2015 for 265.00)
	BNDV	HUMRICH	Bond Converted (Transaction number 423 dated 3/26/2015 amount 200.00)
	BNDV	HUMRICH	Bond Converted (Transaction number 424 dated 3/26/2015 amount 1,311.25)
	BNDV	HUMRICH	Bond Converted (Transaction number 425 dated 3/26/2015 amount 200.00)

Date: 4/29/2015

First Judicial District Court - Bonner County

User: HUMRICH

Time: 12:41 PM

ROA Report

Page 33 of

Case: CV-2011-0000135 Current Judge: Idaho Supreme Court

MUFG Union Bank N.A. vs. Pend Oreille Bonner Development, LLC, etal.

Date	Code	User	Judge
3/26/2015	BNDV	HUMRICH	Bond Converted (Transaction number 426 dated 3/26/2015 amount 265.00)
4/28/2015	MOTN	HUMRICH	Motion for Extension of Time by Clerk of District Court or Administrative Agency

100-443881-1111

ND 624

FREDERICK J. GRANT, an individual

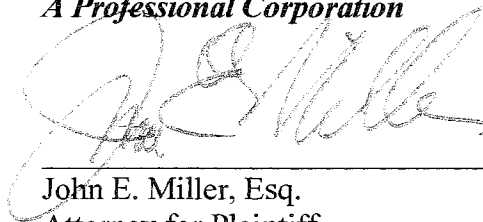
CHRISTINE GRANT, an individual

JOSEPH DUSSICH, an individual

This Motion is based upon Idaho Code §5-508 and IRCP Rule 4(e)(1), the supporting affidavit of John E. Miller, and further upon the pleadings and records on file herein which pleadings are verified and state a cause or causes of action against said defendants making said defendants necessary parties to this suit.

DATED this 13th day of September 2011.

The Law Office of John E. Miller
A Professional Corporation



John E. Miller, Esq.
Attorney for Plaintiff

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

SEP 12 2011

CLERK DISTRICT COURT
ap
DEPUTY

John E. Miller – ISB #4676
The Law Office of John E. Miller
A Professional Corporation
206 E. Indiana Avenue, Suite 200
Coeur d'Alene, ID 83814
Telephone: (208) 665-9464
Facsimile: (208) 665-9176

Attorney for Plaintiff

DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT

STATE OF IDAHO, COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a	)	CASE NO. CV-2011-0135
national banking association)	
)	
Plaintiff,	)	ORDER FOR ENTRY OF DEFAULT
)	
vs.)	
)	
PEND OREILLE BONNER)	
DEVELOPMENT, LLC, a Nevada limited)	
liability company, et al)	
)	
Defendants.)	
)	

UPON THE REQUEST of the plaintiff, PACIFIC CAPITAL BANK, N.A., by and through its attorney of record, John E. Miller of *The Law Office of John E. Miller, A Professional Corporation*; and

GOOD CAUSE APPEARING, IT IS HEREBY ORDERED that:

Default is hereby entered as the First Amended Complaint against ONLY the defendant, B-K LIGHTING, INC., a California corporation, for failure to timely defend

despite due and proper demand for formal answer or other response to the Summons and First Amended Complaint following Notice of Appearance made by counsel for and on behalf of each of this defendant by Douglas S. Marfice, Esq. of *Ramsden & Lyons, LLP*.

DATED: 9.22.11


Steve Verby
District Judge

CLERK'S CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing document to be:

☒ mailed postage prepaid
☐ facsimile transmitted to

to the following addresses on this 26 day of September ~~July~~ 2011:

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Facsimile: (208) 665-9176

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Bruce Anderson
ELSAESSER JARZABEK ANDERSON
ELLIOTT & MACDONALD, CHTD
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Jonathon D. Hallin
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John A. Finney
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120 East Lake Street, Suite 317
Sandpoint, ID 83864

Fax (208) 263-8211

Deputy A. Phillips
Clerk

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

2011 SEP 22 3:19

CLERK DISTRICT COURT
DEPUTY

John E. Miller – ISB #4676
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Attorney for Plaintiff

DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT

STATE OF IDAHO, COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a	)	CASE NO. CV-2011-0135
national banking association)	
)	
Plaintiff,	)	ORDER FOR ENTRY OF DEFAULT
)	
vs.)	
)	
PEND OREILLE BONNER)	
DEVELOPMENT, LLC, a Nevada limited)	
liability company, et al)	
)	
Defendants.)	
)	


UPON THE REQUEST of the plaintiff, PACIFIC CAPITAL BANK, N.A., by and through its attorney of record, John E. Miller of *The Law Office of John E. Miller, A Professional Corporation*; and

GOOD CAUSE APPEARING, IT IS HEREBY ORDERED that:

Default is hereby entered as the First Amended Complaint against ONLY the defendants, PANHANDLE STATE BANK, an Idaho corporation, TIMBERLINE

INVESTMENTS, LLC, an Idaho limited liability company, WELLS FARGO CAPITAL FINANCE, LLC, a Delaware limited liability company, HLT REAL ESTATE LLC, an Idaho limited liability company, RUSS CAPITAL GROUP, LLC, an Arizona limited liability company, and MORTGAGE FUND '08 LLC, a California limited liability company, for failure to timely defend despite due and proper service of the First Amended Summons and First Amended Complaint.

DATED: 9.22.11


Steve Verby
District Judge

CLERK'S CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing document to be:

 x mailed postage prepaid
 facsimile transmitted to

to the following addresses on this 26 day of September 2011:

John E. Miller, Esq.
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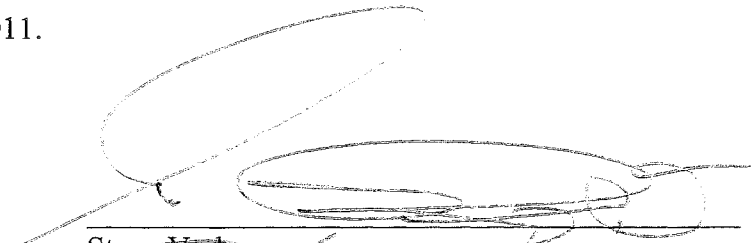
Deputy A. Phillips
Clerk

IT IS HEREBY ORDERED, that service of the First Amended Summons and First Amended Complaint may be made upon the said defendants by publication of summons in accordance with Idaho Code §5-508 and IRCP Rule 4(e)(1) in a newspaper of general circulation, designated as most likely to give notice to the person to be served, at least once a week for four (4) consecutive weeks.

As to the defendants, FREDERICK J. GRANT and CHRISTINE GRANT, publication should be undertaken in or around the city of Seattle, WA, i.e. the Seattle Times, and in Sandpoint, Idaho, i.e., the Bonner County Daily Bee. Plaintiff is directed to mail a copy of said documents to the last known business address of said defendants at Catherine L. Dullea, 101 N. Fourth, Suite 204, Sandpoint, ID 83864 together with a copy of this Order.

IT IS HEREBY FURTHER ORDERED, that as to the defendant JOSEPH DUSSICH, an individual, publication should be undertaken in or around the city of NY, NY, i.e. the New York Times, and in Sandpoint, Idaho, i.e., the Bonner County Daily Bee. Plaintiff is directed to mail a copy of said documents to the last known business address of said defendant at 2048 119th Street, College Court, NY, NY 11356 together with a copy of this Order.

DATED this 22 day of September 2011.


Steve Verby
District Judge

ORDER ALLOWING SERVICE OF
SUMMONS BY PUBLICATION

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

2011 SEP 26 A 11:26

MARIE SCOTT
CLERK DISTRICT COURT

240
DEPUTY

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Kenneth Huitt, ISB# 8257
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Facsimile: (208) 664-1684
swetzel@jvwlaw.net
khuitt@jvwlaw.net

Attorneys for Defendant NORTH IDAHO RESORTS, LLC.

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF **BONNER**

PACIFIC CAPITAL BANK, N.A., a national
banking association,

Plaintiff,

vs.

PEND OREILLE BONNER
DEVELOPMENT, LLC a Nevada limited
liability company, JV L.L.C., an Idaho
limited liability company, DAN
JACOBSON, an individual, SAGE
HOLDINGS LLC, an Idaho limited liability
company, TIMBERLINE
INVESTMENTS, LLC, an Idaho limited
liability company, STEVEN G. LAZAR, an
individual, AMY KORENGUT, an
individual, HLT REAL ESTATE LLC,
PANHANDLE STATE BANK, an Idaho
corporation, R.E. LOANS, LLC, a California
limited liability company, WELLS FARGO
FOOTHILL, INC., a Delaware corporation,
NORTH IDAHO RESORTS, LLC, an Idaho
limited liability company, PEND OREILLE
BONNER DEVELOPMENT HOLDINGS,
INC., a Nevada corporation, PENSCO
TRUST CO. custodian f/b/a Barney Ng, a
California corporation, MORTGAGE FUND

Case No. CV-2011-0135

AFFIDAVIT OF DANA L. RAYBORN
WETZEL RE AUTOMATIC STAY

'08 LLC, a California limited liability company, B-K LIGHTING, INC., a California corporation, FREDERICK J. GRANT, an individual, CHRISTINE GRANT, an individual, RUSS CAPITAL GROUP, LLC, an Arizona limited liability company, JOSEPH DUSSICH, an individual, MOUNTAIN WEST BANK, an Idaho corporation, STATE OF IDAHO, Department of Revenue and Taxation, MONTAHENO INVESTMENTS LLC, a Nevada limited liability company, TOYON INVESTMENTS LLC, a Nevada limited liability company, CHARLES W. REEVES and ANN B. REEVES, husband and wife, ACI NORTHWEST, INC., an Idaho corporation,

Defendants.

STATE OF IDAHO)
) ss.
County of Kootenai)

I, Dana L. Rayborn Wetzel, being first duly sworn, depose and say:

1. I am an attorney with JAMES, VERNON & WEEKS, PA, attorneys of record for the above named Defendant NORTH IDAHO RESORTS, LLC, an Idaho limited liability company (hereinafter referred to as "NIR"), and I have personal knowledge of the facts set forth in this Affidavit. I make this Affidavit voluntarily, and I am competent to testify as to all matters contained herein.


2. On September 12, 2011, the above-named Defendant MORTGAGE FUND '08 LLC, a California limited liability company (hereinafter referred to as "MORTGAGE FUND") filed an Involuntary Petition in the United States Bankruptcy Court, Northern District of California. A copy of the Involuntary Petition is attached hereto as **Exhibit "A."**

3. On September 13, 2011, the above-named Defendant R.E. LOANS, LLC, a California limited liability company (hereinafter "R.E. LOANS") filed a Voluntary Petition in the

United States Bankruptcy Court, Northern District of Texas. A copy of the Petition is attached hereto as **Exhibit "B."**

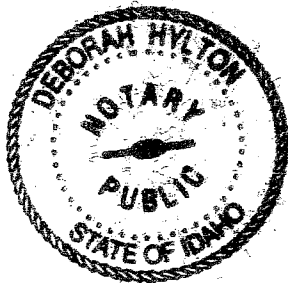
4. On or about September 13, 2011, R.E. LOANS prepared a statement to its note holders regarding R.E. Loans' Commencement of Chapter 11 Cases. A copy of that statement is attached hereto as **Exhibit "C."**


5. Pursuant to Bankruptcy Code § 362(a), NIR is automatically stayed from filing an Answer or any other pleadings in this matter until the automatic stay is lifted.



Dana L. Rayborn Wetzel

Subscribed and sworn to before me this 23rd day of September, 2011.





Notary for the State of Idaho
Commission Expires 10/6/12

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following persons in the manner indicated this 23 day of September, 2011.

____ U.S. Mail, Postage Prepaid
____ Hand Delivered
____ Overnight Mail
☒ Facsimile: 208-665-9176
☒ jmillerlaw@cda.twcbc.com

John E. Miller
The Law Office of John E. Miller
A Professional Corporation
206 Indiana Avenue, Suite 200
Coeur d'Alene, ID 83814

Attorneys for Pacific Capital Bank, N.A.

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____ Overnight Mail
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Gary A. Finney
FINNEY FINEY & FINNEY, PA
120 E Lake St., Ste. 317
Sandpoint, ID 83864

Attorneys for JV L.L.C. and ACI Northwest, Inc.

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____ Overnight Mail
☒ Facsimile: 509-624-2902
☒ jrlayman@laymanlawfirm.com

John R. Layman
Patti Jo Foster
Layman Layman & Robinson, PLLP
5431 N Government Way, Suite 101A
Coeur d'Alene, ID 83815

Attorneys for Pend Oreille Bonner Development, LLC; Pend Oreille Bonner Development Holdings, Inc.; Montaheno Investments, LLC; Toyon Investments, LLC

____ U.S. Mail, Postage Prepaid
____ Hand Delivered
____ Overnight Mail
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☒ rsweney@lukins.com

R. Wayne Sweney
Lukins & Annis, P.S.
601 E Front Street, Suite 502
Coeur d'Alene, ID 83814-5155

Attorneys for Mountain West Bank

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____ Hand Delivered
____ Overnight Mail
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☒ firm@ramsdenlyons.com

Douglas S. Marfice
Ramsden & Lyons, LLP
700 Northwest Blvd.
P.O. Box 1336
Coeur d'Alene, ID 83816-1336

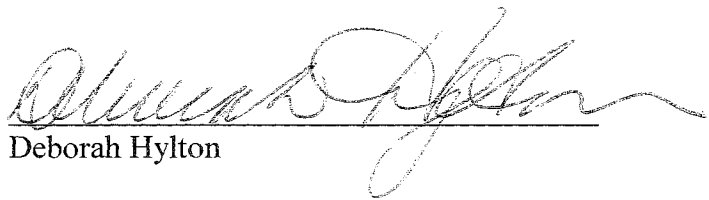
Attorneys for B-K Lighting, Inc.

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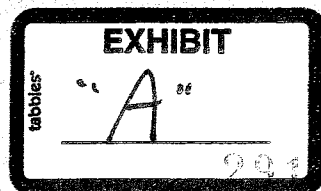
U.S. Mail, Postage Prepaid
Hand Delivered
Overnight Mail
Facsimile: 208-667-2150
bruce@ejame.com

Bruce A. Anderson
Elsaesser Jarzabek Anderson Marks Elliott &
McHugh, Chtd.
1400 Northwood Ct., Ste. C
Coeur d'Alene, ID 83814

*Attorneys for Dan S. Jacobson; Sage
Holdings, LLC; Steven G. Lazar*


Deborah Hylton

H:\WETZEL\disk1\FILES\VVillelli, Dick\1-North Idaho Resort\Pacific CapitalBank v. NIR, LLC\Pleadings\Affidavit of Dana L. Rayborn Wetzel Re Automatic Stay.doc



UNITED STATES BANKRUPTCY COURT Northern District of California		INVOLUNTARY PETITION
IN RE (Name of Debtor – If Individual: Last, First, Middle) Mortgage Fund '08 LLC		ALL OTHER NAMES used by debtor in the last 8 years (Include married, maiden, and trade names.)
Last four digits of Social-Security or other Individual's Tax-I.D. No./Complete EIN (If more than one, state all.):		
STREET ADDRESS OF DEBTOR (No. and street, city, state, and zip code) 201 Lafayette Circle, 2nd Floor Lafayette, CA 94549		MAILING ADDRESS OF DEBTOR (If different from street address)
COUNTY OF RESIDENCE OR PRINCIPAL PLACE OF BUSINESS Contra Costa County, California ZIP CODE 94549		ZIP CODE
LOCATION OF PRINCIPAL ASSETS OF BUSINESS DEBTOR (If different from previously listed addresses) California		
CHAPTER OF BANKRUPTCY CODE UNDER WHICH PETITION IS FILED <input checked="" type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 11		
INFORMATION REGARDING DEBTOR (Check applicable boxes)		
Nature of Debts (Check one box.) Petitioners believe: <input type="checkbox"/> Debts are primarily consumer debts <input checked="" type="checkbox"/> Debts are primarily business debts	Type of Debtor (Form of Organization) <input type="checkbox"/> Individual (Includes Joint Debtor) <input checked="" type="checkbox"/> Corporation (Includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)	Nature of Business (Check one box.) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51)(B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other
VENUE	FILING FEE (Check one box)	
<input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in the District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District. <input checked="" type="checkbox"/> A bankruptcy case concerning debtor's affiliate, general partner or partnership is pending in this District.	<input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Petitioner is a child support creditor or its representative, and the form specified in § 304(g) of the Bankruptcy Reform Act of 1994 is attached. <i>[If a child support creditor or its representative is a petitioner, and if the petitioner files the form specified in § 304(g) of the Bankruptcy Reform Act of 1994, no fee is required.]</i>	
PENDING BANKRUPTCY CASE FILED BY OR AGAINST ANY PARTNER OR AFFILIATE OF THIS DEBTOR (Report information for any additional cases on attached sheets.)		
Name of Debtor Walter J. Ng and Maribel Ng	Case Number 11-45175	Date 05/12/2011
Relationship Principal/Corporate Officer	District Northern District of California	Judge Roger L. Efremsky
ALLEGATIONS (Check applicable boxes)		COURT USE ONLY
1. <input checked="" type="checkbox"/> Petitioner (s) are eligible to file this petition pursuant to 11 U.S.C. § 303 (b). 2. <input checked="" type="checkbox"/> The debtor is a person against whom an order for relief may be entered under title 11 of the United States Code. 3.a. <input checked="" type="checkbox"/> The debtor is generally not paying such debtor's debts as they become due, unless such debts are the subject of a bona fide dispute as to liability or amount; or b. <input type="checkbox"/> Within 120 days preceding the filing of this petition, a custodian, other than a trustee receiver, or agent appointed or authorized to take charge of less than substantially all of the property of the debtor for the purpose of enforcing a lien against such property, was appointed or took possession.		<div>EXHIBIT</div> <div>"A"</div>

Name of Debtor Mortgage Fund '08 LLC

Case No. _____

TRANSFER OF CLAIM

☐ Check this box if there has been a transfer of any claim against the debtor by or to any petitioner. Attach all documents that evidence the transfer and any statements that are required under Bankruptcy Rule 1003(a).

REQUEST FOR RELIEF

Petitioner(s) request that an order for relief be entered against the debtor under the chapter of title 11, United States Code, specified in this petition. If any petitioner is a foreign representative appointed in a foreign proceeding, a certified copy of the order of the court granting recognition is attached.

Petitioner(s) declare under penalty of perjury that the foregoing is true and correct according to the best of their knowledge, information, and belief.

☒ /s/Bruce Edwards, Custodian

Signature of Petitioner or Representative (State title)
First Regional Bank,
Custodian Bruce Edwards IRA
09/12/2011
Name of Petitioner Date Signed

Name & Mailing
Address of Individual
Signing in Representative
Capacity
Bruce Edwards
12 Stonington Pointe
Alameda, CA 94502

☒ /s/ Iain A. Macdonald 09/12/2011

Signature of Attorney
Macdonald & Associates
Date
Name of Attorney Firm (If any)
221 Sansome Street, Fl. 3, San Francisco, CA 94104
Address
(415) 362-0449
Telephone No.

☒ /s/Jill B. Wiener

Signature of Petitioner or Representative (State title)
Jill B. Wiener
09/12/2011
Name of Petitioner Date Signed

Name & Mailing
Address of Individual
Signing in Representative
Capacity
13915 Califa Street
Valley Glen, CA 91401

☒ /s/ Iain A. Macdonald 09/12/2011

Signature of Attorney
Macdonald & Associates
Date
Name of Attorney Firm (If any)
221 Sansome Street, Fl. 3, San Francisco, CA 94104
Address
(415) 362-0449
Telephone No.

☒ /s/Luy Chak Wong

Signature of Petitioner or Representative (State title)
Luy Chak Wong
09/12/2011
Name of Petitioner Date Signed

Name & Mailing
Address of Individual
Signing in Representative
Capacity
480 12th Ave
San Francisco, CA
94118

☒ /s/ Iain A. Macdonald 09/12/2011

Signature of Attorney
Macdonald & Associates
Date
Name of Attorney Firm (If any)
221 Sansome Street, Fl. 3, San Francisco, CA 94104
Address
(415) 362-0449
Telephone No.

PETITIONING CREDITORS

Name and Address of Petitioner	Nature of Claim	Amount of Claim
Bruce Edwards, 12 Stonington Pointe Alameda, CA 94502	Breach of Contract	176,524.73
Name and Address of Petitioner	Nature of Claim	Amount of Claim
Jill B. Wiener, 13915 Califa Street Valley Glen, CA 91401	Breach of Contract	563,081.21
Name and Address of Petitioner	Nature of Claim	Amount of Claim
Luy Chak Wong, 480 12th Ave San Francisco, CA 94118	Breach of Contract	408,708.59
Note: If there are more than three petitioners, attach additional sheets with the statement under penalty of perjury, each petitioner's signature under the statement and the name of attorney and petitioning creditor information in the format above.	Total Amount of Petitioners' Claims	1,148,314.53

_____ continuation sheets attached

EXHIBIT

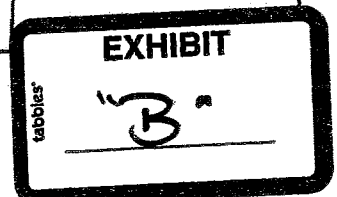
tabbles

B234

BI (Official Form 1) (4/10)

United States Bankruptcy Court Northern District of Texas				Voluntary Petition											
Name of Debtor (if individual, enter Last, First, Middle): R.E. Loans, LLC			Name of Joint Debtor (Spouse) (Last, First, Middle):												
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):			All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):												
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN)/Complete EIN (if more than one, state all): [REDACTED]			Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN)/Complete EIN (if more than one, state all):												
Street Address of Debtor (No. & Street, City, and State): 201 Lafayette Circle Lafayette, CA			Street Address of Joint Debtor (No. & Street, City, and State):												
ZIP CODE 94549			ZIP CODE												
County of Residence or of the Principal Place of Business: Contra Costa			County of Residence or of the Principal Place of Business:												
Mailing Address of Debtor (if different from street address):			Mailing Address of Joint Debtor (if different from street address):												
ZIP CODE			ZIP CODE												
Location of Principal Assets of Business Debtor (if different from street address above): 14241 Dallas Parkway, Ste 1300, Dallas, TX 75254															
Type of Debtor (Form of Organization) (Check one box)		Nature of Business (Check one box)		Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box)											
<input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below)		<input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other <input type="checkbox"/> Tax-Exempt Entity (Check box, if applicable.) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).		<input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding											
				Nature of Debts (Check one box) <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts.											
Filing Fee (Check one box.) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (Applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A. <input type="checkbox"/> Filing Fee waiver requested (Applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.			Chapter 11 Debtors Check one box: <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). Check if: <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,343,300 (amount subject to adjustment on 4/01/13 and every three years thereafter). Check all applicable boxes: <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).												
Statistical/Administrative Information <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.					THIS SPACE IS FOR COURT USE ONLY										
Estimated Number of Creditors <table style="width:100%; text-align: center;"><tr><td><input type="checkbox"/> 1-49</td><td><input type="checkbox"/> 50-99</td><td><input type="checkbox"/> 100-199</td><td><input type="checkbox"/> 200-999</td><td><input checked="" type="checkbox"/> 1,000-5,000</td><td><input type="checkbox"/> 5,001-10,000</td><td><input type="checkbox"/> 10,001-25,000</td><td><input type="checkbox"/> 25,001-50,000</td><td><input type="checkbox"/> 50,001-100,000</td><td><input type="checkbox"/> OVER 100,000</td></tr></table>						<input type="checkbox"/> 1-49	<input type="checkbox"/> 50-99	<input type="checkbox"/> 100-199	<input type="checkbox"/> 200-999	<input checked="" type="checkbox"/> 1,000-5,000	<input type="checkbox"/> 5,001-10,000	<input type="checkbox"/> 10,001-25,000	<input type="checkbox"/> 25,001-50,000	<input type="checkbox"/> 50,001-100,000	<input type="checkbox"/> OVER 100,000
<input type="checkbox"/> 1-49	<input type="checkbox"/> 50-99	<input type="checkbox"/> 100-199	<input type="checkbox"/> 200-999	<input checked="" type="checkbox"/> 1,000-5,000		<input type="checkbox"/> 5,001-10,000	<input type="checkbox"/> 10,001-25,000	<input type="checkbox"/> 25,001-50,000	<input type="checkbox"/> 50,001-100,000	<input type="checkbox"/> OVER 100,000					
Estimated Assets <table style="width:100%; text-align: center;"><tr><td><input type="checkbox"/> \$0 to \$50,000</td><td><input type="checkbox"/> \$50,001 to \$100,000</td><td><input type="checkbox"/> \$100,001 to \$500,000</td><td><input type="checkbox"/> \$500,001 to \$1 million</td><td><input type="checkbox"/> \$1,000,001 to \$10 million</td><td><input type="checkbox"/> \$10,000,001 to \$50 million</td><td><input type="checkbox"/> \$50,000,001 to \$100 million</td><td><input checked="" type="checkbox"/> \$100,000,001 to \$500 million</td><td><input type="checkbox"/> \$500,000,001 to \$1 billion</td><td><input type="checkbox"/> More than \$1 billion</td></tr></table>						<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input checked="" type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion
<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input checked="" type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion						
Estimated Debts <table style="width:100%; text-align: center;"><tr><td><input type="checkbox"/> \$0 to \$50,000</td><td><input type="checkbox"/> \$50,001 to \$100,000</td><td><input type="checkbox"/> \$100,001 to \$500,000</td><td><input type="checkbox"/> \$500,001 to \$1 million</td><td><input type="checkbox"/> \$1,000,001 to \$10 million</td><td><input type="checkbox"/> \$10,000,001 to \$50 million</td><td><input type="checkbox"/> \$50,000,001 to \$100 million</td><td><input checked="" type="checkbox"/> \$100,000,001 to \$500 million</td><td><input type="checkbox"/> \$500,000,001 to \$1 billion</td><td><input type="checkbox"/> More than \$1 billion</td></tr></table>					<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input checked="" type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion	
<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input checked="" type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion						

DALLAS 2263727v.2



B1 (Official Form 1) (4/10)

Page 2

Voluntary Petition <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): R.E. Loans, LLC	
All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet.)			
Location Where Filed: - None -	Case Number:	Date Filed:	
Location Where Filed:	Case Number:	Date Filed:	
Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet.)			
Name of Debtor: See "Attachment to Voluntary Petition"	Case Number:	Date Filed:	
District:	Relationship:	Judge:	
Exhibit A (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.) <input type="checkbox"/> Exhibit A is attached and made a part of this petition.		Exhibit B (To be completed if debtor is an individual whose debts are primarily consumer debts.) I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. § 342(b). X _____ Signature of Attorney for Debtor(s) (Date)	
Exhibit C Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety? <input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input checked="" type="checkbox"/> No			
Exhibit D (To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.) <input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition. If this is a joint petition: <input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.			
Information Regarding the Debtor - Venue (Check any applicable box.) <input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District. <input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District. <input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.			
Certification by a Debtor Who Resides as a Tenant of Residential Property (Check all applicable boxes.) <input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.) <div style="margin-left: 40px;"> _____ (Name of landlord that obtained judgment) </div> <div style="margin-left: 40px;"> _____ (Address of landlord) </div> <input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and <input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition. <input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(f)).			

B1 (Official Form 1) (4/10)

Page 3

Voluntary Petition (This page must be completed and filed in every case)		Name of Debtor(s): R.E. Loans, LLC	
Signatures			
Signature(s) of Debtor(s) (Individual/Joint) I declare under penalty of perjury that the information provided in this petition is true and correct. (If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7) I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7. (If no attorney represents me and no bankruptcy petition preparer signs the petition) I have obtained and read the notice required by 11 U.S.C. § 342(b). I request relief in accordance with the chapter of title 11, United States Code, specified in this petition. X _____ Signature of Debtor X _____ Signature of Joint Debtor _____ Telephone Number (If not represented by attorney) _____ Date		Signature of a Foreign Representative I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition. (Check only one box.) <input type="checkbox"/> I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached. <input type="checkbox"/> Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached. X _____ (Signature of Foreign Representative) _____ (Printed Name of Foreign Representative) _____ Date	
Signature of Attorney* X <u>Jeffrey C. Krause</u> (Signature of Attorney for Debtor(s)) <u>Jeffrey C. Krause</u> (Printed Name of Attorney for Debtor(s)) <u>Jeffrey C. Krause (CA State Bar No. 94053)</u> <u>Gregory K. Jones (CA State Bar No. 181072)</u> (Firm Name) <u>Stutman, Teister & Glatt Professional Corporation</u> <u>1901 Avenue of the Stars, 12th Floor</u> <u>Los Angeles, CA 90067</u> (Address) <u>Tel: (310) 228-5600 Fax: (310) 228-5788</u> <u>9/13/11</u> (Date) *In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.		Signature of Non-Attorney Bankruptcy Petition Preparer I declare under penalty of perjury that: 1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; 2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, 3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official form 19 is attached. _____ (Printed Name and title, if any, of Bankruptcy Petition Preparer) _____ (Social Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer) (Required by 11 U.S.C. § 110)) _____ (Address) X _____ _____ (Date)	
Signature of Debtor (Corporation/Partnership) I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor. The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition. X <u>James A. Weissenborn</u> (Signature of Authorized Individual) <u>James A. Weissenborn</u> (Printed Name of Authorized Individual) <u>Chief Restructuring Officer</u> (Title of Authorized Individual) _____ (Date)		Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose social security number is provided above. Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person. <i>A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. § 110, 18 U.S.C. § 156</i>	

B1 (Official Form 1) (4/10)

Page 4

Attachment to Voluntary Petition

The following affiliated debtors are filing voluntary petitions simultaneously:

1. R.E. Loans, LLC;
2. R.E. Future, LLC; and
3. Capital Salvage, a California corporation

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:

R.E. LOANS, LLC,

Debtor.

§
§
§
§
§
§
§

Chapter 11 Case

Case No. _____

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

Following is a list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with FED. R. Bankr. P. 1007(d) for the filing in this chapter 11 case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. §101(30) or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims.

Name of creditor and complete mailing address including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	C O N T I N G E N T *	U N L I Q U I D A T E D *	D I S P U T E D *	S U B J E C T T O S E T O F F *	AMOUNT OF CLAIM (if secured also state value of security)
Greenberg Traurig, LLP 1900 University Ave. 5 th Fl. East Palo Alto, CA 94303	Greenberg Traurig, LLP 1900 University Ave. 5 th Fl. East Palo Alto, CA 94303 Tel: 650-328-8500 Email: WiseT@gitaw.com	Legal Services					\$1,520,702.91


* The following information is based upon a review of the Debtor's books and records. However, no comprehensive legal and/or factual investigations with regard to possible defenses or counterclaims to the below-listed claims have been completed. Therefore, this listing does not and should not be deemed to constitute: (1) a waiver of any defense, counterclaim or offset to the below-listed claims; (2) an acknowledgment of the allowability of any of the below-listed claims; and/or (3) a waiver of any other right or legal position of the Debtor.

Name of creditor and complete mailing address including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	CONTINGENT	UNLIQUIDATED	DISPUTED	SUBJECT TO SETOFF	AMOUNT OF CLAIM (If secured also state value of security)
Standard Trust Deed Service Company 2600 Stanwell Dr. Ste. 200 Concord, CA 94520	Standard Trust Deed Service Company 2600 Stanwell Dr. Ste. 200 Concord, CA 94520 Tel.: 925.603.1000	Trade Debt					\$30,539.60
Armanino McKenna LLP 12667 Alcosta Blvd. Ste. 500 San Ramon, CA 94583	Armanino McKenna LLP 12667 Alcosta Blvd. Ste. 500 San Ramon, CA 94583 Tel.: 925-790-2600	Trade Debt					\$14,419.15

**DECLARATION UNDER PENALTY OF PERJURY
ON BEHALF OF A LIMITED LIABILITY COMPANY**

The undersigned, the Chief Restructuring Officer, declares under penalty of perjury that he has read the foregoing List of Creditors Holding 20 Largest Unsecured Claims, and that it is true and correct to the best of his information and belief.

DATED: 9/13/11



James A. Weissenborn
Chief Restructuring Officer

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

R.E. LOANS, LLC,

Debtor.

§
§
§
§
§
§
§

Chapter 11 Case

Case No. _____

LIST OF THE 20 LARGEST NOTE HOLDERS

Following is a list of the debtor's 20 largest Note Holders. The list is prepared in accordance with FED. R. Bankr. P. 1007(d) for the filing in this chapter 11 case.

Name of creditor and complete mailing address including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	C O N T I N G E N T *	U N C O N F I D E N T I A L *	D I S P U T E *	S U B J E C T T O S E T O F *	AMOUNT OF CLAIM (If secured also state value of security)
J. Robert Orton III 65 Sea View Avenue Piedmont, CA 94611	J. Robert Orton III 65 Sea View Avenue Piedmont, CA 94611 Tel. No. 510-547-8744 Email: eorton@earthlink.net	Note Holder					\$11,438,053.17

* The following information is based upon a review of the Debtor's books and records. However, no comprehensive legal and/or factual investigations with regard to possible defenses or counterclaims to the below-listed claims have been completed. Therefore, this listing does not and should not be deemed to constitute: (1) a waiver of any defense, counterclaim or offset to the below-listed claims; (2) an acknowledgment of the allowability of any of the below-listed claims; and/or (3) a waiver of any other right or legal position of the Debtor.

Name of creditor and complete mailing address including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	CONTINGENT*	UNLIQUIDATED*	DISPUTED*	SUBJECT TO SETOFF*	AMOUNT OF CLAIM (If secured also state value of security)
Tom Enterprise GP 3744 Grove Avenue Palo Alto, CA 94303	Tom Enterprise GP 3744 Grove Avenue Palo Alto, CA 94303 Tel. No. 650-494-3871 Email: pearltom17@hotmail.com	Note Holder					\$9,094,825.52
Sherratt Reicher, President 3200 Danville Blvd., Ste 200 Alamo, CA 94507	Sherratt Reicher, President 3200 Danville Blvd., Ste 200 Alamo, CA 94507 Tel. No. 925-314-0194 Email: sherratt@hudsonbev.com	Note Holder					\$7,567,451.67
Patrick & Linda Reilly, Ttees 30503 Palomares Road Castro Valley, CA 94552	Patrick & Linda Reilly, Ttees 30503 Palomares Road Castro Valley, CA 94552 Tel. No. 510-581-6224 Email: linda.reilly@sbcglobal.net	Note Holder					\$6,819,305.63
Kris Jay Hamrick 16 Hillway Avenue San Francisco, CA 94117	Kris Jay Hamrick 16 Hillway Avenue San Francisco, CA 94117 Tel. No. 510-908-3424 Email: kris_hamrick@hotmail.com	Note Holder					\$5,548,457.37
North American Financial Corp 23950 Mission Blvd Hayward, CA 94544	North American Financial Corp Attn Gene Rapp 23950 Mission Blvd Hayward, CA 94544 Tel. No. 510-504-9085 Email: generapp@aol.com	Note Holder					\$5,126,970.67

Name of creditor and complete mailing address including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	CONTINGENT*	UNLIQUIDATED*	DISPUTED*	SUBJECT TO SETOFF*	AMOUNT OF CLAIM (If secured also state value of security)
Gifford Fong & Vivian Fong 3658 Mt. Diablo Blvd. Ste. 200 Lafayette, CA 94549	Gifford Fong & Vivian Fong 3658 Mt. Diablo Blvd. Ste. 200 Lafayette, CA 94549 Tel. No. 925-299-7800 Email: gifford.fong@gfong.com	Note Holder					\$5,105,225.63
S. Walter Kran 2695 Lakeview Drive San Leandro, CA 94577	S. Walter Kran 2695 Lakeview Drive San Leandro, CA 94577 Tel. No. 510-357-5836 Email: lisaandwaltkran@sbcglobal.net	Note Holder					\$4,591,294.77
Steven G. Fong 3658 Mt. Diablo Blvd. Ste. 200 Lafayette, CA 94549	Steven G. Fong 3658 Mt. Diablo Blvd. Ste. 200 Lafayette, CA 94549 Tel. No. 925-299-7800 Email: steve.fong@gfong.com	Note Holder					\$3,968,351.49
Edwin/Gertrude M Blue, Ttees 87 Flood Circle Atherton, CA 94027-2108	Edwin/Gertrude M Blue, Ttees 87 Flood Circle Atherton, CA 94027-2108 Tel. No. 650-323-7309 Email: edwin.blue@iraservices.com	Note Holder					\$3,948,508.03
Paul & Patricia Cianci Trustees P.O. Box 2061 Martinez, CA 94553	Paul & Patricia Cianci Trustees P.O. Box 2061 Martinez, CA 94553 Tel. No. 925-228-1056 Email: pecianci@aol.com	Note Holder					\$3,922,545.51

Name of creditor and complete mailing address including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	CONTINGENT*	UNLIQUIDATED*	DISPUTED*	SUBJECT TO SETOFF*	AMOUNT OF CLAIM (If secured also state value of security)
Peter B. Slabaugh 250 Scenic Avenue Piedmont, CA 94611	Peter B. Slabaugh 250 Scenic Avenue Piedmont, CA 94611 Tel. No. 510-658-6667 Email: andysla@comcast.net	Note Holder					\$3,914,039.20
Lori Berney 430 Landford Court El Dorado Hills, CA 95762	Lori Berney 430 Landford Court El Dorado Hills, CA 95762 Tel. No. 530-550-0808 Email: loriberney@gmail.com	Note Holder					\$3,762,537.04
Pensco Tr Co Fbo P Simmons P.O. Box 1871 Sonoma, CA 95476	Pensco Tr Co Fbo P Simmons P.O. Box 1871 Sonoma, CA 95476 Tel. No. 415-331-3266 Email: leslie@lawfscpa.net	Note Holder					\$3,745,073.40
Ron Nunn - Architect 1385 St. James Drive St. Helena, CA 94574	Ron Nunn - Architect 1385 St. James Drive St. Helena, CA 94574 Tel. No. 707-963-3431 Email: rhnunn@aol.com	Note Holder					\$3,181,947.40
Theodore/Virgene Jones Ttees 234 Casitas Avenue San Francisco, CA 94127	Theodore/Virgene Jones Ttees 234 Casitas Avenue San Francisco, CA 94127 Tel. No. 415-759-0657 Email: jonest@usfca.edu	Note Holder					\$2,836,969.92
J & E Investments 4973 Gordon Valley Road Fairfield, CA 94534	J & E Investments 4973 Gordon Valley Road Fairfield, CA 94534 Tel. No. 510-658-0547 Email: tidwaterjim@sbcglobal.net	Note Holder					\$2,729,293.89

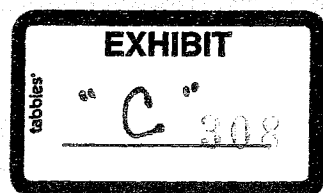
Name of creditor and complete mailing address including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	C O N T I N G E N T *	U N L I Q U I D A T E D *	D I S P U T E D *	S U B J E C T T O S E T O F F *	AMOUNT OF CLAIM (If secured also state value of security)
Leigh or Mary Iverson, Ttees 2718 Santa Lucia Carmel, CA 93923	Leigh or Mary Iverson, Ttees 2718 Santa Lucia Carmel, CA 93923 Tel. No. 831-625-6750 Email: kjelboten@aol.com	Note Holder					\$2,551,646.21
Ira Services Trust Company, Custodian 5 Shadow Creek Lane Orinda, CA 94563	Ira Services Trust Company, Custodian 5 Shadow Creek Lane Orinda, CA 94563 Tel. No. 510-254-7510 Email: craigdennnnis@mac.com	Note Holder					\$2,545,272.35
Thomas A. Palmer 162 Alta Road Oakland, CA 94618	Thomas A. Palmer 162 Alta Road Oakland, CA 94618 Tel. No. 510-834-6600 Email: palmer3Wpacbell.net	Note Holder					\$2,536,591.51

**DECLARATION UNDER PENALTY OF PERJURY
ON BEHALF OF A LIMITED LIABILITY COMPANY**

The undersigned, the Chief Restructuring Officer, declares under penalty of perjury that he has read the foregoing List of the 20 Largest Note Holders, and that it is true and correct to the best of his information and belief.

DATED: 9/13/11

James A. Weissenborn
James A. Weissenborn
Chief Restructuring Officer





R.E. LOANS LLC
MORTGAGE FUND

September 13, 2011

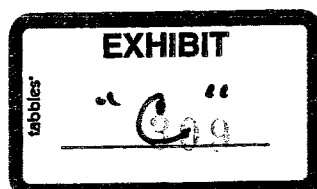
Re: R.E. Loans, LLC: Commencement of Chapter 11 Cases

Dear Noteholder:

R.E. Loans, LLC ("R.E. Loans") filed a voluntary chapter 11 petition in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Bankruptcy Court") on September 13, 2011. R.E. Loans' wholly owned subsidiaries, Capital Salvage, a California corporation, and R.E. Future, LLC (collectively, the "REO Subsidiaries"), which own some of the real estate that has been acquired as the result of foreclosures by R.E. Loans, also filed voluntary chapter 11 petitions in the Bankruptcy Court. R.E. Loans and the REO Subsidiaries have requested joint administration of their cases and I will refer to all three companies on a consolidated basis as R.E. Loans in this letter, except for certain specific references to the REO Subsidiaries.

As I have indicated in prior letters, it has appeared for some time that the commencement of a chapter 11 case would likely be a necessary step in the process of restructuring R.E. Loans' obligations. The filing of the chapter 11 cases is a step forward in the restructuring process. I have obtained from Wells Fargo Capital Finance, LLC ("WFCF") financing for R.E. Loans' ongoing operations during the chapter 11 cases. The first day motions will include R.E. Loans' request for authority to enter into the new financing arrangement with Wells Fargo and a motion by R.E. Loans to employ Mackinac Partners as its manager during the chapter 11 cases. Walter Ng and Kelly Ng have agreed to appoint Mackinac Partners as the sole manager of R.E. Loans and R.E. Future with final decision making authority, effective upon the filing of the chapter 11 petitions, and subject to Bankruptcy Court approval. Further, subject to Bankruptcy Court approval, I will be elected the sole director of Capital Salvage and President of Capital Salvage. Going forward the Ngs, Bar-K, Inc. and B-4 Partners, LLC will not have any ongoing role in managing R.E. Loans.

R.E. Loans and WFCF participated in negotiations with three separate third parties, each of which had indicated an interest in acquiring WFCF's senior secured debt and financing R.E. Loans' operations going forward. I believed that this might provide the greatest flexibility to maximize recoveries to Noteholders. Unfortunately, none of these negotiations came to fruition. WFCF and the last of the three potential purchasers reached an impasse with



respect to the proposed refinancing transaction prior to the expiration of the last forbearance agreement (the "Forbearance Agreement") between WFCF and R.E. Loans on July 31, 2011.

As I have indicated in my prior letters, R.E. Loans has no regular cash flow. It receives cash only when and as it liquidates individual properties. All proceeds from such sales are subject to WFCF's senior security interest and, in light of the expiration of the Forbearance Agreement, WFCF had the right to apply all such proceeds to its debt. Therefore, absent a new commitment to provide ongoing funding, R.E. Loans would be unable to pay its current costs of managing the portfolio.

The last Forbearance Agreement expired on July 31, 2011. Although WFCF declined to further extend the Forbearance Agreements under which R.E. Loans was operating prepetition or to continue financing R.E. Loans' operations out-of-court, WFCF did not take any enforcement actions after the last Forbearance Agreement expired and did continue to advance the funds necessary to pay R.E. Loans' current operating expenses. That said, WFCF declined to extend the Forbearance Agreement and declined to commit to continue funding on an ongoing basis, but WFCF has agreed to provide financing for the chapter 11 cases pursuant to an agreed upon budget to enable R.E. Loans to proceed with an orderly chapter 11 process designed to restructure R.E. Loans' debts.

In addition, several lawsuits, including at least one class action, have recently been filed against R.E. Loans. Each such lawsuit results in additional defense costs paid to outside counsel. The commencement of the chapter 11 cases gives rise to an "Automatic Stay" of all enforcement actions against R.E. Loans pursuant to Bankruptcy Code § 362(a) and, therefore, should reduce R.E. Loans' ongoing litigation fees and may provide for resolution of many different actions in a single forum in a more efficient manner.

My goal is to propose a formal chapter 11 plan of reorganization pursuant to which R.E. Loans will have a period of time to maximize the value of its promissory notes and real property, without the risk of an immediate foreclosure by WFCF. WFCF has committed to provide financing during the chapter 11 cases. The proposed financing by WFCF provides R.E. Loans with six months during which to confirm a chapter 11 plan. This time period may be extended if the parties are proceeding with confirmation of the plan in good faith, but are unable to complete the chapter 11 process in six months. WFCF has also provided a non-binding proposal to provide financing of a chapter 11 plan of reorganization.

Now that the chapter 11 cases have been filed, the United States Trustee will appoint an Official Creditors' Committee (the "Creditors' Committee"). R.E. Loans believes that all or virtually all of the members of the Creditors' Committee will be Noteholders. Large noteholders who are not insiders will probably receive a solicitation of possible interest from the United States Trustee inviting them to serve on the Creditors' Committee. The Creditors' Committee will engage counsel to represent the interest of creditors and the fees incurred by the Creditors' Committee's professionals will be paid by R.E. Loans and are included in the budget that WFCF has agreed to fund. R.E. Loans intends to engage in discussions regarding the chapter 11 process and what will maximize the aggregate value available to creditors with the Creditors' Committee and its counsel immediately upon formation of the Creditors' Committee.

The goal will be to proceed with the chapter 11 process promptly, to minimize the expenses incurred in connection with the reorganization.

R.E. Loans anticipates working with the Creditors' Committee to formulate a plan of reorganization that will provide for an orderly disposition of part or all of the property owned by R.E. Loans and will avoid the need for a fire sale, which would result in substantial reduction in the expected recoveries from such properties. R.E. Loans is not soliciting your approval of any particular plan of reorganization at this time and before any such solicitation is made you will be provided with extensive additional information, including, without limitation, a formal "Disclosure Statement." The plan has not yet been finalized and discussions with the Creditors' Committee will be extremely important in formulating the final plan.

WFCF has made a non-binding offer to provide exit financing subject to various conditions. The WFCF proposed financing would give R.E. Loans until the end of 2012 to pay off the balance due WFCF, though there are also interim targets for net cash proceeds from asset dispositions to be applied to such balances due, that R.E. Loans would be required to meet under WFCF's proposed exit facility of \$25 million by January 31, 2012, \$50 million by April 30, 2012, and \$75 million by September 30, 2012.

Through the chapter 11 process and the restructuring of its obligations, R.E. Loans may be able to obtain alternative take-out financing from other sources that would provide R.E. Loans with additional time to maximize value of the portfolio. R.E. Loans anticipates that any plan of reorganization will provide Noteholders with distributions once WFCF's senior secured debt is paid in full, and will create a trust for the benefit of Noteholders, which would have the power to investigate potential claims that may constitute an additional source of recovery for Noteholders.

R.E. Loans has filed several pleadings asking for relief in the chapter 11 cases. Those pleadings include an application seeking immediate interim approval of my employment, with final decision-making responsibility for R.E. Loans, and a motion for interim approval of the financing to be provided by WFCF. At the initial hearings on those motions, R.E. Loans will seek only interim approval and the scheduling of a further hearing in several weeks, at which hearing R.E. Loans will request final approval of my employment and the debtor in possession financing. The formal notice of these motions is enclosed with this letter. The Creditors' Committee will likely be formed before the final hearing on these motions, and I will confer with the Creditors' Committee regarding all matters in connection with the chapter 11 cases.

R.E. Loans will file complete Schedules of Assets and Liabilities and a Statement of Financial Affairs in several weeks. The exact timing will depend on deadlines to be established by the Bankruptcy Court.

To facilitate availability of information relating to the chapter 11 cases on an ongoing basis, R.E. Loans intends to post to its website at www.RELoansllc.com each pleading filed in the chapter 11 cases promptly after it is filed. In addition, you can access those pleadings on the Bankruptcy Court's website at ecf.txnb.uscourts.gov. If you would like copies of pleadings and you do not have internet access that enables you to access pleadings from either of

these sources, please request any pleading you need from counsel for R.E. Loans at the following address: Kendra Johnson, c/o Stutman, Treister & Glatt PC, 1901 Avenue of the Stars, 12th Floor, Los Angeles, California 90067 (kjohnson@stutman.com). The Bankruptcy Court may also establish additional mechanisms for notice of the proceedings in the chapter 11 cases.

The chapter 11 filings are an important step in the restructuring process. While it is unfortunate that R.E. Loans has filed for relief under chapter 11 of the Bankruptcy Code, I believe that the chapter 11 cases are a necessary procedural tool to resolve the claims against R.E. Loans, as well as R.E. Loans' claims against other parties, and to maximize the recoveries by Noteholders.

Very truly yours,

A handwritten signature in black ink, reading "James A. Weissenborn". The signature is written in a cursive, flowing style.

James A. Weissenborn

**IN THE DISTRICT COURT OF THE FIRST JUDICIAL
OF THE STATE OF IDAHO**

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

2011 SEP 27 P 4:20

**ADMINISTRATIVE ORDER
B11-DW.1**

DAVID SCOTT
CLERK DISTRICT COURT
DEPUTY

RE: Assignment of District Court Cases for Kootenai County

IT IS HEREBY ORDERED that cases listed below assigned to the other First Judicial District Judges as listed below, be reassigned to the **Honorable Jeff Brudie**, Administrative District Judge for the Second Judicial District, for re-assignment to a District Judge for the Second Judicial District for all further proceedings.

IT IS FURTHER ORDERED all proceedings presently scheduled before a First District Judge are **VACATED**, to be rescheduled by the re-assigned to a Second District Judge.

IT IS FURTHER ORDERED that a copy of all pleadings filed after the date of this Administrative Order, must be sent by Counsel (or the party if self-represented) to the assigned Second District Judge in chambers.

CASES ASSIGNED TO JUDGE MITCHELL

CR2008-9095 State of Idaho v. Michael Southern (Appeal from Magistrate Division)
Oral Argument 10-25-11

CV2009-10686 Stephanie Reed v. Scott Reed (Appeal from Magistrate Division)
Motions Set Before Judge Wayman 9/28/11 & 11/7/11

CV2010-9175 Marianne Bendell v. Timothy Baumgartner (Appeal from Magistrate Division)
Nothing Set

ASSIGNMENT OF CASES TO JUDGE BRUDIE

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CV2010-9797 Yvonne Mellick v. David Mellick (Appeal from Magistrate Division)
Nothing Set

CR 2011-730 State of Idaho v. Scott Cardwell (Appeal from Magistrate Division)
Nothing Set

CV2011-3442 James Moen v. State of Idaho (Post Conviction Relief)

CV2011-6093 Anthony Cruz v. State of Idaho (Post Conviction Relief)
Nothing Set

CV2011-4814 In the Matter of Randall Phillip Bottum (Petition Release from Sex
Offender Registration Requirements)
Nothing Set

CV2009-3827 Steven C. Lloyd v. TWC Digital Phone – To be set for Jury Trial

CV2010-6090 Kristina Allen v. Kevin Johnson MD – To be set for Jury Trial
Motion to Withdrawn Set for 11/2/11

CV2011-4529 Beth Nelson v. Seven Oaks Community – To be set for Jury Trial

CASES ASSIGNED TO JUDGE HAYNES

CV2011-4810 Sid Wurzburg v Kootenai County Board of Commissioners
(Administrative Appeal)
Oral Argument 12-12-11

CV2011-2977 Keith Daniels v. Idaho Trans Dept. (Administrative Appeal)
Nothing Set

CV2011-5166 John Rocchio v. Idaho Dept. of Lands (Administrative Appeal)
Motion Augment Record 10-14-11

CR2011-5064 State of Idaho v. Valerie Posey (Appeal from Magistrate Division)
Restitution Hearing Set before Judge Watson on 9/30/11

CV2006-3033 Estate of Lebsock (Appeal from Magistrate Division)
Hearing with Judge Wayman on 9-26-11

CV2007-7092 Jeffrey Harris v. Wendi Harris (Appeal from Magistrate Division)
Motions Set Before Judge Peterson on 9/29/11; Oral Argument 1/6/12

CV2009-9480 Beard v Wylie (Appeal from Magistrate Division)
Oral Argument Set 10-3-11

ASSIGNMENT OF CASES TO JUDGE BRUDIE

CV2011-1286 Howard Willis v. State of Idaho (Post Conviction Relief)
Court Trial 1-17-12

CV2011-2288 John Warren v. State of Idaho (Post Conviction Relief)
Court Trial 2-21-12

CV2011-2943 Jeremy Pogue v. State of Idaho (Post Conviction Relief)
Court Trial 3-19-12

CV2011-7510 Cecil Daniels v. State of Idaho (Post Conviction Relief)
Nothing Set

CASES ASSIGNED TO JUDGE LUSTER

CR2009-24916 State of Idaho v. Carey Baker (Appeal from Magistrate Division)
Appeal Hearing 10-28-11

CR2010-6294 State of Idaho v. Gary Haight (Appeal from Magistrate Division)
Appeal Hearing 10-21-11

CR2010-24279 State of Idaho v. David Odenthal (Appeal from Magistrate Division)
Appeal Hearing 12-18-11

CV2008-2590 Paul Driggers v. Karen Vassallo (Appeal from Magistrate Division)
Status Conference Set 10-20-11; Appeal Hearing 11-18-11

JV2011-235 Interest of Blehm, Brandon (Appeal from Magistrate Division)
Nothing Set

CV2011-3984 Vincent Ashinger v. State of Idaho (Post Conviction Relief)
Evidentiary Hearing Set 3/1/12

CV2011-6401 David Lonn v. State of Idaho (Post Conviction Relief)
MSJ Set 11/10/11

CV2001-5504 Gerald Barcella v. State of Idaho
Briefing Pending/Under Advisement

ASSIGNMENT OF CASES TO JUDGE BRUDIE

CASES ASSIGNED TO JUDGE SIMPSON

CV2009-2079 Tall Pines v Kootenai County (Administrative Appeal)
Stayed on 2-1-2010

CV2011-5388 Tom Hamilton v Board of Trustees of CDA School District
(Administrative Appeal) MSJ Set 10-11-11

CV2010-3790 Sherry Brooks v Keith Brooks (Appeal from Magistrate Division)
Status Conference Set 10-4-11

JV2010-10109 Interest of Kacie Klundt (Appeal from Magistrate Division)
Nothing Set

CR2011-4956 State of Idaho v. Kelli Ann Klawitter (Appeal from Magistrate Division)
Nothing Set

CV2008-6552 Ronald Henry v. State of Idaho (Post Conviction Relief)
PTC 10-6-11; Court Trial 10-11-11

CV2011-3570 James Burke v. State of Idaho (Post Conviction Relief)
Nothing Set

CV2011-3571 James Burke v. State of Idaho (Post Conviction Relief)
Nothing Set

CASES ASSIGNED TO JUDGE VERBY

BONNER COUNTY

CR2011-737 State of Idaho v. Suane Gale Wooden (Appeal from Magistrate Division)
Nothing Set

CR2010-6140 State of Idaho v. Tracy Dawn Jenkins Appeal from Magistrate Division)
Nothing Set

CV2011-575 Paul Douglas Johnson v. State of Idaho, Department of Transportation
(CV2010-598 Consolidated with CV-2011-575) (Administrative Appeal)
Nothing Set

CV2011-536 Lon Peckham v. Idaho State Board of Dentistry, et al. (Administrative
Appeal)
Nothing Set

ASSIGNMENT OF CASES TO JUDGE BRUDIE

CV2011-1489 Stacy Jene Baker v. State of Idaho, Department of Transportation
(Administrative Appeal) Nothing Set

CV2010-338 Brian Keith Heffling v. State of Idaho, Department of Transportation
(Administrative Appeal)
Nothing Set

CV2010-1534 Frank Leonard Arnold v. State of Idaho, Department of Transportation
(Administrative Appeal)
Nothing Set

CV2010-36 James Crumble v. State of Idaho (Post Conviction Relief)
Nothing Set

CV2010-2301 Kenneth D. Rawley v. State of Idaho (Post Conviction Relief)
Nothing Set

CV-2011-135 Pacific Capital Bank, N.A. v. Pend Oreille Bonner Development, LLC, JV
LLC, Dan S. Jacobson, Sage Holdings LLC, Timberline Investments,
LLC, an Idaho limited liability. Steven G. Lazar, Amy Korengut, HLT
Real Estate LLC, Panhandle State Bank, an Idaho corporation, R.E. Loans
LLC, a California Limited Liability Co., Wells Fargo Capital Finance
LLC, a Delaware LL Co., North Idaho Resorts LLC, an Idaho limited
liability, Pend Oreille Bonner Development Holdings, Inc., Pensco Trust
Co., Mortgage Fund '08 LLC, B-K Lighting Inc., Frederick J. Grant,
Christine Grant, Russ Capital Group LLC, Joseph Dussich, Mountain
West Bank, State of Idaho Department of Revenue and Taxation,
Montaheno Investments LLC, a Nevada limited liability, Toyon
Investments LLC, Charles W. Reeves, Ann B. Reeves, ACI Northwest
Inc., an Idaho corporation
TO BE SET FOR TRIAL

CV2010-2211 ACI Northwest Inc., an Idaho corporation v. BAR-K, Pensco Trust Co.
Custodian fbo Barney Ng, R.E. Loans LLC, a California Limited Liability
Co., Wells Fargo Foothill LLC, a Delaware limited liability, Mortgage
Fund '08 LLC
TO BE SET FOR TRIAL

CV2010-2142 Sage Holdings LLC v. Pend Oreille Bonner Development, LLC, Charles
W. Reeves, Ann B. Reeves, Chip L. Bowlby, Thomas J. Mersheel, Pend
Oreille Development LLC, Pend Oreille Bonner Development Holdings,
Inc., Reeves Family Trust, Montaheno Investments LLC, a Nevada limited
liability, Toyon Investments LLC, North Idaho Resorts LLC, an Idaho
limited liability, R.E. Loans LLC, a California Limited Liability Co.,
Wells Fargo Capital Finance LLC, a Delaware LL Co., Bar K, Inc., ACI

ASSIGNMENT OF CASES TO JUDGE BRUDIE

Page 5

Northwest Inc., an Idaho corporation, Pensco Trust Co., Mortgage Fund '08 LLC, R.C. Worst & Co. Inc., Genesis Golf Builders, Inc., T.O. Engineers Inc., Interstate Concrete & Asphalt Co., Idaho Club Homeowner's Association, B-K Lighting Inc., timothy J. Feehan, Kimberly A. Feehan, Kenneth Paul Schmidt, Tracy Franklin Schmidt, Richard A. Lazar, Laura Finney, Ted W. Palmer, Elizabeth A. Palmer, Trustees of the Ted W. & Elizabeth A. Palmer Trust, Northern Lights, Inc.
TO BE SET FOR TRIAL

CR2009-1810 Genesis Golf Builders, Inc. v. Pend Oreille Bonner Development, LLC., R.E. Loans LLC, a California Limited Liability Co., Dan Jacobson, Sage Holdings LLC, Steven G. Lazar, Pensco Trust Co. Custodian fbo Barney Ng, Mortgage Fund '08 LLC, VP Inc., an Idaho Corporation, JV, LLC, an Idaho Limited Liability Company, Wells Fargo Foothil LLC, a Delaware limited liability, Interstate Concrete and Asphalt Company, an Idaho, T-O- Engineers Inc., Pucci Construction, Inc., ACI Northwest Inc., an Idaho corporation, Lumbermens Inc., Robert Plaster, North Idaho Resorts, LLC, an Idaho limited liability, RC Worst & Company Inc., an Idaho corporation, Does I through X, Inclusive, Panhandle State Bank, Panhandle State Bank, an Idaho corporation
TO BE SET FOR TRIAL

BOUNDARY COUNTY

- CV2009-52 Stanley Phillip Sweet, etal. v. Rebecca Lee Vineyard Foreman, teal.
(Appeal from Magistrate Division)
Nothing Set
- CV2010-137 James R. Evans v. Sunrise Transport LTD (Appeal from Magistrate Division)
Oral Argument Set for 10-5-11
- CR2010-2013 State of Idaho v. Jennifer I. Myers (Appeal from Magistrate Division)
Nothing Set
- CR2011-493 State of Idaho v. Cary J. Slominski (Appeal from Magistrate Division)
Nothing Set
- CV2011-261 Ronald Abraham v. Idaho State Police, Alcohol Beverage Control
(Administrative Appeal)
Nothing Set

ASSIGNMENT OF CASES TO JUDGE BRUDIE

IT IS FURTHER ORDERED that a copy of this Order shall be placed in each case file listed above.

IT IS FURTHER ORDERED that a copy of this Order Assigning Cases to Honorable Jeff Brudie, Administrative District Judge Second Judicial District, shall be mailed to all attorneys of record in the cases listed above.

DATED this 27th day of September, 2011.



Honorable John T. Mitchell
Administrative District Judge

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the order were transmitted September 27 2011, by the following method, to:

Hon. Jeff Brudie
Fax: (208) 799-3058

Hon. Barry Watson
Fax: 446-1114

Hon. Lansing L. Haynes
Interoffice

Hon. Scott Wayman
Fax: 446-1121

Hon. John P. Luster
Fax: 446-1119

Hon. James Stow
Fax: 446-1114

Hon. Benjamin R. Simpson
Interoffice

Hon. Penny Friedlander
Interoffice

Hon. John T. Mitchell
Interoffice

Hon. Clark Peterson
Interoffice

Hon. Steve Verby
Fax: (208) 265-1468

Hon. Robert Caldwell
Interoffice

Hon. Fred M. Gible
Fax: (208) 753-3581

Patricia Tobias
Administrative Director of the Courts
(208) 334-2616

Karlene Behringer
Trial Court Administrator
Fax: 446-1224

Diana Meyer
Court Services Director
Interoffice


Jeanne Clausen, Deputy Clerk

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DISTRICT

2011 SEP 28 P 3:48

MARIE SCOTT
CLERK DISTRICT COURT

ap
DEPUTY

**IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER**

**PACIFIC CAPITAL BANK, N.A., a national
banking association,**

Plaintiff,

vs.

**PEND OREILLE BONNER DEVELOPMENT,
LLC, a Nevada limited liability company, *et al.*,**

Defendants.

Case No. CV 2011-0000135

STAY ORDER

(re: Mortgage Fund '08, LLC)

Documentation (a copy of which is attached) has been received by the Court indicating that Defendant Mortgage Fund '08, LLC filed a Chapter 7 bankruptcy petition in the United States Bankruptcy Court, Northern District of California, on September 12, 2011, in Case No. 11-49803. The filing of a bankruptcy petition triggers a stay under 11 U.S.C. § 362, of actions against the debtor, Mortgage Fund '08, LLC; the stay is automatic.

IT IS THEREFORE ORDERED THAT:

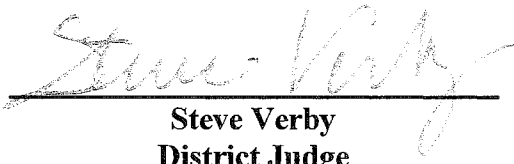
1. The cause of action of Plaintiff Pacific Capital Bank, N.A. against Mortgage Fund '08, LLC

STAY ORDER - 1

in the above-entitled matter is stayed until the automatic bankruptcy stay is lifted or the bankruptcy proceedings are dismissed.

2. Mortgage Fund '08, LLC shall promptly notify the Court when its bankruptcy case is dismissed and/or the automatic stay is lifted.
3. The Clerk of the Court is directed after the elapse of six (6) months to send a notice to the parties that the cause of action of Plaintiff Pacific Capital Bank, N.A. against Mortgage Fund '08, LLC is subject to dismissal with prejudice, pursuant to Idaho Rule of Civil Procedure 40(c), if the bankruptcy matter has been resolved by that date.

DATED this 28th day of September, 2011.



Steve Verby
District Judge

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid, this 29 day of September, 2011, to:

John A. Finney
FINNEY FINNEY & FINNEY, P.A.
120 East Lake Street, Suite 317
Sandpoint, ID 83864
(Attorney for Defendant ACI Northwest, Inc.)

Gary A. Finney
FINNEY FINNEY & FINNEY, P.A.
120 East Lake Street, Suite 317
Sandpoint, ID 83864
(Attorney for Defendant JV LLC)

John E. Miller
Attorney at Law
206 Indiana Ave., Suite 200
Coeur d'Alene, ID 83814
(Attorney for Plaintiff Pacific Capital Bank, N.A.)

Douglas S. Marfice
RAMSDEN & LYONS, LLP
P.O. Box 1336
Coeur d'Alene, ID 83816
(Attorney for Defendant B-K Lighting, Inc.)


R. Wayne Sweeney
Jonathon D. Hallin
LUKINS & ANNIS, P.S.
601 E. Front Street, Suite 502
Coeur d'Alene, ID 83814
(Attorney for Defendant Mountain West Bank)

Bruce A. Anderson
ELSAESSER JARZABEK ANDERSON ELLIOTT & MACDONALD, CHTD.
1400 Northwood Center Court, Suite C
Coeur d'Alene, ID 83814
(Attorney for Dan S. Jacobson; Sage Holdings, LLC; Steven G. Lazar)

STAY ORDER - 3

Steven C. Wetzel
JAMES VERNON & WEEKS, P.A.
1626 Lincoln Way
Coeur d'Alene, ID 83814
(Attorney for Defendant North Idaho Resorts, LLC)

John R. Layman
Patti Jo Foster
LAYMAN LAYMAN & ROBINSON, PLLP
601 S. Division Street
Spokane, WA 99202
(Attorney for Pend Oreille Bonner Development, LLC; Pend Oreille Bonner Development Holdings, Inc.; Montaheno Investment, LLC; Toyon Investments, LLC)


Deputy Clerk

UNITED STATES BANKRUPTCY COURT

Northern District of California

INVOLUNTARY
PETITION

IN RE (Name of Debtor – If Individual: Last, First, Middle)

Mortgage Fund '08 LLC

ALL OTHER NAMES used by debtor in the last 8 years
(Include married, maiden, and trade names.)Last four digits of Social-Security or other Individual's Tax-I.D. No./Complete EIN
(If more than one, state all.):

STREET ADDRESS OF DEBTOR (No. and street, city, state, and zip code)

201 Lafayette Circle, 2nd Floor
Lafayette, CA 94549

MAILING ADDRESS OF DEBTOR (If different from street address)

COUNTY OF RESIDENCE OR PRINCIPAL PLACE OF BUSINESS
Contra Costa County, CaliforniaZIP CODE
94549

ZIP CODE

LOCATION OF PRINCIPAL ASSETS OF BUSINESS DEBTOR (If different from previously listed addresses)
California

CHAPTER OF BANKRUPTCY CODE UNDER WHICH PETITION IS FILED

☒ Chapter 7 ☐ Chapter 11

INFORMATION REGARDING DEBTOR (Check applicable boxes)

Nature of Debts
(Check one box.)

Petitioners believe:

- ☐
- Debts are primarily consumer debts
-
- ☒
- Debts are primarily business debts

Type of Debtor
(Form of Organization)

- ☐
- Individual (Includes Joint Debtor)
-
- ☒
- Corporation (Includes LLC and LLP)
-
- ☐
- Partnership
-
- ☐
- Other (If debtor is not one of the above entities,
-
- check this box and state type of entity below.)

Nature of Business
(Check one box.)

- ☐
- Health Care Business
-
- ☐
- Single Asset Real Estate as defined in
-
- 11 U.S.C. § 101(51)(B)
-
- ☐
- Railroad
-
- ☐
- Stockbroker
-
- ☐
- Commodity Broker
-
- ☐
- Clearing Bank
-
- ☒
- Other

VENUE

- ☒
- Debtor has been domiciled or has had a residence, principal
-
- place of business, or principal assets in the District for 180
-
- days immediately preceding the date of this petition or for
-
- a longer part of such 180 days than in any other District.
-
- ☒
- A bankruptcy case concerning debtor's affiliate, general
-
- partner or partnership is pending in this District.

FILING FEE (Check one box)

- ☒
- Full Filing Fee attached
-
- ☐
- Petitioner is a child support creditor or its representative, and the form
-
- specified in § 304(g) of the Bankruptcy Reform Act of 1994 is attached.
-
- [If a child support creditor or its representative is a petitioner, and if the
-
- petitioner files the form specified in § 304(g) of the Bankruptcy Reform Act of
-
- 1994, no fee is required.]

PENDING BANKRUPTCY CASE FILED BY OR AGAINST ANY PARTNER
OR AFFILIATE OF THIS DEBTOR (Report information for any additional cases on attached sheets.)Name of Debtor
Walter J. Ng and Maribel NgCase Number
11-45175Date
05/12/2011Relationship
Principal/Corporate OfficerDistrict
Northern District of CaliforniaJudge
Roger L. EfremskyALLEGATIONS
(Check applicable boxes)

1. ☒ Petitioner (s) are eligible to file this petition pursuant to 11 U.S.C. § 303 (b).
2. ☒ The debtor is a person against whom an order for relief may be entered under title 11 of the United States Code.
- 3.a. ☒ The debtor is generally not paying such debtor's debts as they become due, unless such debts are the subject of a bona fide dispute as to liability or amount;
or
b. ☐ Within 120 days preceding the filing of this petition, a custodian, other than a trustee receiver, or agent appointed or authorized to take charge of less than substantially all of the property of the debtor for the purpose of enforcing a lien against such property, was appointed or took possession.

COURT USE ONLY

EXHIBIT

"A"

TRANSFER OF CLAIM

☐ Check this box if there has been a transfer of any claim against the debtor by or to any petitioner. Attach all documents that evidence the transfer and any statements that are required under Bankruptcy Rule 1003(a).

REQUEST FOR RELIEF

Petitioner(s) request that an order for relief be entered against the debtor under the chapter of title 11, United States Code, specified in this petition. If any petitioner is a foreign representative appointed in a foreign proceeding, a certified copy of the order of the court granting recognition is attached.

Petitioner(s) declare under penalty of perjury that the foregoing is true and correct according to the best of their knowledge, information, and belief.

☒ /s/Bruce Edwards, Custodian

Signature of Petitioner or Representative (State title)
First Regional Bank, 09/12/2011
~~Custodian Bruce Edwards IRA~~
Name of Petitioner Date Signed

Name & Mailing
Address of Individual
Signing in Representative
Capacity
Bruce Edwards
12 Stonington Pointe
Alameda, CA 94502

☒ /s/ Iain A. Macdonald 09/12/2011

Signature of Attorney Date
Macdonald & Associates
Name of Attorney Firm (If any)
221 Sansome Street, Fl. 3, San Francisco, CA 94104
Address
(415) 362-0449
Telephone No.

☒ /s/Jill B. Wiener

Signature of Petitioner or Representative (State title)
Jill B. Wiener 09/12/2011
Name of Petitioner Date Signed

Name & Mailing
Address of Individual
Signing in Representative
Capacity
13915 Califa Street
Valley Glen, CA 91401

☒ /s/ Iain A. Macdonald 09/12/2011

Signature of Attorney Date
Macdonald & Associates
Name of Attorney Firm (If any)
221 Sansome Street, Fl. 3, San Francisco, CA 94104
Address
(415) 362-0449
Telephone No.

☒ /s/Luy Chak Wong

Signature of Petitioner or Representative (State title)
Luy Chak Wong 09/12/2011
Name of Petitioner Date Signed

Name & Mailing
Address of Individual
Signing in Representative
Capacity
480 12th Ave
San Francisco, CA
94118

☒ /s/ Iain A. Macdonald 09/12/2011

Signature of Attorney Date
Macdonald & Associates
Name of Attorney Firm (If any)
221 Sansome Street, Fl. 3, San Francisco, CA 94104
Address
(415) 362-0449
Telephone No.

PETITIONING CREDITORS

Name and Address of Petitioner	Nature of Claim	Amount of Claim
Bruce Edwards, 12 Stonington Pointe Alameda, CA 94502	Breach of Contract	176,524.73
Name and Address of Petitioner	Nature of Claim	Amount of Claim
Jill B. Wiener, 13915 Califa Street Valley Glen, CA 91401	Breach of Contract	563,081.21
Name and Address of Petitioner	Nature of Claim	Amount of Claim
Luy Chak Wong, 480 12th Ave San Francisco, CA 94118	Breach of Contract	408,708.59
Note: If there are more than three petitioners, attach additional sheets with the statement under penalty of perjury, each petitioner's signature under the statement and the name of attorney and petitioning creditor information in the format above.	Total Amount of Petitioners' Claims	1,146,314.53

_____ continuation sheets attached

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DISTRICT
SEP 20 11 3:40
CLERK DISTRICT COURT
LEFEL

**IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER**

**PACIFIC CAPITAL BANK, N.A., a national
banking association,**)
)
)
Plaintiff,)
)
vs.)
)
PEND OREILLE BONNER DEVELOPMENT,)
LLC, a Nevada limited liability company, et al.,)
)
)
Defendants.)
_____)

Case No. CV 2011-0000135

STAY ORDER

(re: R.E. Loans, LLC)

Documentation (a copy of which is attached) has been received by the Court indicating that Defendant R.E. Loans, LLC filed a Chapter 11 bankruptcy petition in the United States Bankruptcy Court, Northern District of Texas, on September 13, 2011, in Case No. 11-35865-bjh11. The filing of a bankruptcy petition triggers a stay under 11 U.S.C. § 362, of actions against the debtor, R.E. Loans, LLC; the stay is automatic.

IT IS THEREFORE ORDERED THAT:

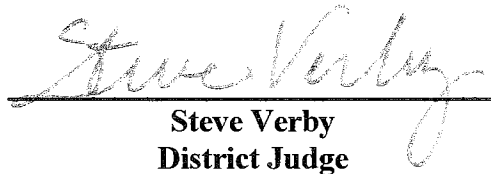
1. The cause of action of Plaintiff Pacific Capital Bank, N.A. against R.E. Loans, LLC in the

STAY ORDER - 1

above-entitled matter is stayed until the automatic bankruptcy stay is lifted or the bankruptcy proceedings are dismissed.

2. R.E. Loans, LLC shall promptly notify the Court when its bankruptcy case is dismissed and/or the automatic stay is lifted.
3. The Clerk of the Court is directed after the elapse of six (6) months to send a notice to the parties that the cause of action of Plaintiff Pacific Capital Bank, N.A. against R.E. Loans, LLC is subject to dismissal with prejudice, pursuant to Idaho Rule of Civil Procedure 40(c), if the bankruptcy matter has been resolved by that date.

DATED this 28th day of September, 2011.


Steve Verby
District Judge

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid, this 29 day of September, 2011, to:

John A. Finney
FINNEY FINNEY & FINNEY, P.A.
120 East Lake Street, Suite 317
Sandpoint, ID 83864
(Attorney for Defendant ACI Northwest, Inc.)

Gary A. Finney
FINNEY FINNEY & FINNEY, P.A.
120 East Lake Street, Suite 317
Sandpoint, ID 83864
(Attorney for Defendant JV LLC)

John E. Miller
Attorney at Law
206 Indiana Ave., Suite 200
Coeur d'Alene, ID 83814
(Attorney for Plaintiff Pacific Capital Bank, N.A.)

Douglas S. Marfice
RAMSDEN & LYONS, LLP
P.O. Box 1336
Coeur d'Alene, ID 83816
(Attorney for Defendant B-K Lighting, Inc.)

R. Wayne Sweeney
Jonathon D. Hallin
LUKINS & ANNIS, P.S.
601 E. Front Street, Suite 502
Coeur d'Alene, ID 83814
(Attorney for Defendant Mountain West Bank)

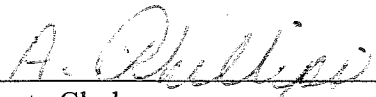
Bruce A. Anderson
ELSAESSER JARZABEK ANDERSON ELLIOTT & MACDONALD, CHTD.
1400 Northwood Center Court, Suite C
Coeur d'Alene, ID 83814
(Attorney for Dan S. Jacobson; Sage Holdings, LLC; Steven G. Lazar)

STAY ORDER - 3

Steven C. Wetzel
JAMES VERNON & WEEKS, P.A.
1626 Lincoln Way
Coeur d'Alene, ID 83814
(Attorney for Defendant North Idaho Resorts, LLC)

John R. Layman
Patti Jo Foster
LAYMAN LAYMAN & ROBINSON, PLLP
601 S. Division Street
Spokane, WA 99202
(Attorney for Pend Oreille Bonner Development, LLC; Pend Oreille Bonner Development Holdings, Inc.; Montaheno Investment, LLC; Toyon Investments, LLC)

Jeffrey C. Krause
STUTMAN, TREISTER & GLATT, P.C.
1901 Avenue of the Stars, 12th Floor
Los Angeles, CA 90067
(Bankruptcy Attorney for Debtor R.E. Loans, LLC)



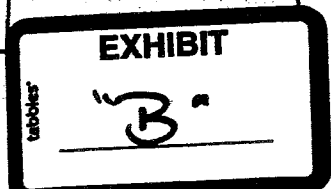
Deputy Clerk

BI (Official Form 1) (4/10)

United States Bankruptcy Court Northern District of Texas				Voluntary Petition																															
Name of Debtor (if individual, enter Last, First, Middle): R.E. Loans, LLC			Name of Joint Debtor (Spouse) (Last, First, Middle):																																
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):			All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):																																
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN)/Complete EIN (if more than one, state all): [REDACTED]			Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN)/Complete EIN (if more than one, state all):																																
Street Address of Debtor (No. & Street, City, and State): 201 Lafayette Circle Lafayette, CA <div style="text-align: right;">ZIP CODE 94549</div>			Street Address of Joint Debtor (No. & Street, City, and State): <div style="text-align: right;">ZIP CODE</div>																																
County of Residence or of the Principal Place of Business: Contra Costa			County of Residence or of the Principal Place of Business:																																
Mailing Address of Debtor (if different from street address): <div style="text-align: right;">ZIP CODE</div>			Mailing Address of Joint Debtor (if different from street address): <div style="text-align: right;">ZIP CODE</div>																																
Location of Principal Assets of Business Debtor (if different from street address above): 14241 Dallas Parkway, Ste 1300, Dallas, TX 75254																																			
Type of Debtor (Form of Organization) (Check one box)		Nature of Business (Check one box)		Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box)																															
<input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit 1 on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entries, check this box and state type of entity below)		<input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other <input type="checkbox"/> Tax-Exempt Entity (Check box, if applicable.) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).		<input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding																															
				Nature of Debts (Check one box) <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts.																															
Filing Fee (Check one box.) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (Applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A <input type="checkbox"/> Filing Fee waiver requested (Applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B			Chapter 11 Debtors Check one box: <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D) Check if: <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,343,300 (amount subject to adjustment on 4/01/13 and every three years thereafter). Check all applicable boxes: <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).																																
Statistical/Administrative Information <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors. Estimated Number of Creditors <table border="0" style="width:100%;"><tr><td><input type="checkbox"/> 1-49</td><td><input type="checkbox"/> 50-99</td><td><input type="checkbox"/> 100-199</td><td><input type="checkbox"/> 200-999</td><td><input checked="" type="checkbox"/> 1,000-5,000</td><td><input type="checkbox"/> 5,001-10,000</td><td><input type="checkbox"/> 10,001-25,000</td><td><input type="checkbox"/> 25,001-50,000</td><td><input type="checkbox"/> 50,001-100,000</td><td><input type="checkbox"/> OVER 100,000</td></tr></table> Estimated Assets <table border="0" style="width:100%;"><tr><td><input type="checkbox"/> \$0 to \$50,000</td><td><input type="checkbox"/> \$50,001 to \$100,000</td><td><input type="checkbox"/> \$100,001 to \$500,000</td><td><input type="checkbox"/> \$500,001 to \$1 million</td><td><input type="checkbox"/> \$1,000,001 to \$10 million</td><td><input type="checkbox"/> \$10,000,001 to \$50 million</td><td><input type="checkbox"/> \$50,000,001 to \$100 million</td><td><input checked="" type="checkbox"/> \$100,000,001 to \$500 million</td><td><input type="checkbox"/> \$500,000,001 to \$1 billion</td><td><input type="checkbox"/> More than \$1 billion</td></tr></table> Estimated Debts <table border="0" style="width:100%;"><tr><td><input type="checkbox"/> \$0 to \$50,000</td><td><input type="checkbox"/> \$50,001 to \$100,000</td><td><input type="checkbox"/> \$100,001 to \$500,000</td><td><input type="checkbox"/> \$500,001 to \$1 million</td><td><input type="checkbox"/> \$1,000,001 to \$10 million</td><td><input type="checkbox"/> \$10,000,001 to \$50 million</td><td><input type="checkbox"/> \$50,000,001 to \$100 million</td><td><input checked="" type="checkbox"/> \$100,000,001 to \$500 million</td><td><input type="checkbox"/> \$500,000,001 to \$1 billion</td><td><input type="checkbox"/> More than \$1 billion</td></tr></table>					<input type="checkbox"/> 1-49	<input type="checkbox"/> 50-99	<input type="checkbox"/> 100-199	<input type="checkbox"/> 200-999	<input checked="" type="checkbox"/> 1,000-5,000	<input type="checkbox"/> 5,001-10,000	<input type="checkbox"/> 10,001-25,000	<input type="checkbox"/> 25,001-50,000	<input type="checkbox"/> 50,001-100,000	<input type="checkbox"/> OVER 100,000	<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input checked="" type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion	<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input checked="" type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion	THIS SPACE IS FOR COURT USE ONLY
<input type="checkbox"/> 1-49	<input type="checkbox"/> 50-99	<input type="checkbox"/> 100-199	<input type="checkbox"/> 200-999	<input checked="" type="checkbox"/> 1,000-5,000	<input type="checkbox"/> 5,001-10,000	<input type="checkbox"/> 10,001-25,000	<input type="checkbox"/> 25,001-50,000	<input type="checkbox"/> 50,001-100,000	<input type="checkbox"/> OVER 100,000																										
<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input checked="" type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion																										
<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input checked="" type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion																										

DALLAS 2263727v.2

331



31 (Official Form 1) (4/10)

Page 2

Voluntary Petition <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): R.E. Loans, LLC	
All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet.)			
Location Where Filed: - None -	Case Number:	Date Filed:	
Location Where Filed:	Case Number:	Date Filed:	
Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet.)			
Name of Debtor: See "Attachment to Voluntary Petition"		Case Number:	
District:		Relationship:	
Judge:		Judge:	
Exhibit A (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.) <input type="checkbox"/> Exhibit A is attached and made a part of this petition.		Exhibit B (To be completed if debtor is an individual whose debts are primarily consumer debts.) I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. § 342(b). X _____ Signature of Attorney for Debtor(s) (Date)	
Exhibit C Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety? <input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input checked="" type="checkbox"/> No			
Exhibit D (To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.) <input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition. If this is a joint petition: <input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.			
Information Regarding the Debtor - Venue (Check any applicable box.) <input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District. <input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District. <input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.			
Certification by a Debtor Who Resides as a Tenant of Residential Property (Check all applicable boxes.) <input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.) _____ (Name of landlord that obtained judgment) _____ (Address of landlord) <input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and <input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition. <input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(f)).			

B1 (Official Form 1) (4/10)

Page 3

Voluntary Petition (This page must be completed and filed in every case)		Name of Debtor(s): R.E. Loans, LLC	
Signatures			
Signature(s) of Debtor(s) (Individual/Joint) I declare under penalty of perjury that the information provided in this petition is true and correct. (If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7) I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7. (If no attorney represents me and no bankruptcy petition preparer signs the petition) I have obtained and read the notice required by 11 U.S.C. § 342(b). I request relief in accordance with the chapter of title 11, United States Code, specified in this petition. X _____ Signature of Debtor X _____ Signature of Joint Debtor _____ Telephone Number (If not represented by attorney) _____ Date		Signature of a Foreign Representative I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition. (Check only one box.) <input type="checkbox"/> I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached. <input type="checkbox"/> Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached. X _____ (Signature of Foreign Representative) _____ (Printed Name of Foreign Representative) _____ Date	
Signature of Attorney* X <u>Jeffrey C. Krause</u> Signature of Attorney for Debtor(s) <u>Jeffrey C. Krause</u> Printed Name of Attorney for Debtor(s) <u>Jeffrey C. Krause (CA State Bar No. 94053)</u> <u>Gregory K. Jones (CA State Bar No. 181072)</u> Firm Name <u>Stutman, Treister & Glatt Professional Corporation</u> <u>1901 Avenue of the Stars, 12th Floor</u> <u>Los Angeles, CA 90067</u> Address <u>Tel: (310) 228-5600 Fax: (310) 228-5788</u> <u>9/13/11</u> Date *In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.		Signature of Non-Attorney Bankruptcy Petition Preparer I declare under penalty of perjury that: 1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; 2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, 3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official form 19 is attached. _____ Printed Name and title, if any, of Bankruptcy Petition Preparer _____ Social Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer (Required by 11 U.S.C. § 110)) _____ Address X _____ _____ Date	
Signature of Debtor (Corporation/Partnership) I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor. The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition. X <u>James A. Weissenborn</u> Signature of Authorized Individual <u>James A. Weissenborn</u> Printed Name of Authorized Individual <u>Chief Restructuring Officer</u> Title of Authorized Individual _____ Date		Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose social security number is provided above. Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person. <i>A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. § 110, 18 U.S.C. § 156</i>	

BI (Official Form 1) (4/10)

Page 4

Attachment to Voluntary Petition

The following affiliated debtors are filing voluntary petitions simultaneously:

1. R.E. Loans, LLC;
2. R.E. Future, LLC; and
3. Capital Salvage, a California corporation

2011 SEP 30 A 8:08

MAINE SUTT
CLERK DISTRICT COURT

DEPUTY

**IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF
THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER**

RE: Assignment of District Court Cases for Bonner County

The following cases are hereby reassigned to Judge John Stegner, whose chambers
are located in Moscow, Idaho.

CIVIL

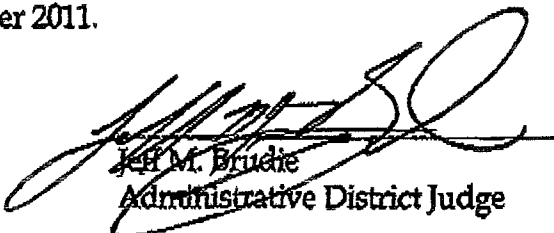
CV2011-135 Pacific Capital Bank v. Pend Oreille Bonner Development, et al., (needs jury
trial setting)

CV2010-2211 ACI Northwest Inc v. BAR-K, et al., (needs jury trial setting)

CV2010-2142 Sage Holdings v. Pend Oreille Bonner Development, et al., (needs jury trial
setting)

CV2009-1810 Genesis Golf Builders v. Pend Oreille Bonner Development, et al., (needs
jury trial setting)

DATED this 29 day of September 2011.


Jeff M. Brudie
Administrative District Judge

CERTIFICATE OF MAILING

I hereby certify that a true copy of the foregoing **ORDER REASSIGNING CASES** was delivered to the following:

Honorable John Stegner
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Patty Jo Foster
Attorneys at Law
Fax 509-624-2902

on this 4 day of ^{October}~~September~~ 2011

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STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

201 OCT -6 A 11:45

DAVID SCOTT
CLERK DISTRICT COURT

ap
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Attorneys for Defendant NORTH IDAHO RESORTS, LLC.

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a national
banking association,

Plaintiff,

vs.

PEND OREILLE BONNER
DEVELOPMENT, LLC a Nevada limited
liability company, JV L.L.C., an Idaho
limited liability company, DAN
JACOBSON, an individual, SAGE
HOLDINGS LLC, an Idaho limited liability
company, TIMBERLINE
INVESTMENTS, LLC, an Idaho limited
liability company, STEVEN G. LAZAR, an
individual, AMY KORENGUT, an
individual, HLT REAL ESTATE LLC,
PANHANDLE STATE BANK, an Idaho
corporation, R.E. LOANS, LLC, a California
limited liability company, WELLS FARGO
FOOTHILL, INC., a Delaware corporation,
NORTH IDAHO RESORTS, LLC, an Idaho
limited liability company, PEND OREILLE
BONNER DEVELOPMENT HOLDINGS,
INC., a Nevada corporation, PENSCO
TRUST CO. custodian f/b/a Barney Ng, a
California corporation, MORTGAGE FUND

Case No. CV-2011-0135

MOTION TO DISQUALIFY

'08 LLC, a California limited liability company, B-K LIGHTING, INC., a California corporation, FREDERICK J. GRANT, an individual, CHRISTINE GRANT, an individual, RUSS CAPITAL GROUP, LLC, an Arizona limited liability company, JOSEPH DUSSICH, an individual, MOUNTAIN WEST BANK, an Idaho corporation, STATE OF IDAHO, Department of Revenue and Taxation, MONTAHEHO INVESTMENTS LLC, a Nevada limited liability company, TOYON INVESTMENTS LLC, a Nevada limited liability company, CHARLES W. REEVES and ANN B. REEVES, husband and wife, ACI NORTHWEST, INC., an Idaho corporation,

Defendants.

The undersigned attorney of record for Defendant NORTH IDAHO RESORTS, LLC, an Idaho limited liability company, respectfully moves this Court pursuant to I.R.C.P. 40(d)(1) to disqualify the Honorable John Stegner as judge in the above-entitled matter.

DATED THIS 6th day of October, 2011.

JAMES, VERNON & WEEKS, PA

By: Susan P. Weeks for
Steven C. Wetzel
Attorneys for Defendant NORTH IDAHO
RESORTS, LLC.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following persons in the manner indicated this 6th day of October, 2011:

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Hon. John Stegner
Chamber Courtesy Copy


Deborah Hylton

H:\WETZEL\disk\FILES\N\Nill\11\11ck\11-North Idaho Reson\Pacific CapitalBank v. NIR, LLC\Pleading\NIR pleading\Motion to Disqualify.doc

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

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JAMES S. DIT
CLERK DISTRICT COURT

DEPUTY

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Attorneys for Defendant NORTH IDAHO RESORTS, LLC.

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF **BONNER**

PACIFIC CAPITAL BANK, N.A., a national
banking association,

Plaintiff,

vs.

PEND OREILLE BONNER
DEVELOPMENT, LLC a Nevada limited
liability company, JV L.L.C., an Idaho
limited liability company, DAN
JACOBSON, an individual, SAGE
HOLDINGS LLC, an Idaho limited liability
company, TIMBERLINE
INVESTMENTS, LLC, an Idaho limited
liability company, STEVEN G. LAZAR, an
individual, AMY KORENGUT, an
individual, HLT REAL ESTATE LLC,
PANHANDLE STATE BANK, an Idaho
corporation, R.E. LOANS, LLC, a California
limited liability company, WELLS FARGO
FOOTHILL, INC., a Delaware corporation,
NORTH IDAHO RESORTS, LLC, an Idaho
limited liability company, PEND OREILLE
BONNER DEVELOPMENT HOLDINGS,
INC., a Nevada corporation, PENSCO
TRUST CO. custodian f/b/a Barney Ng, a
California corporation, MORTGAGE FUND

Case No. CV-2011-0135

ORDER GRANTING MOTION TO
DISQUALIFY

ORDER GRANTING MOTION TO DISQUALIFY - 1

341

ORIGINAL

'08 LLC, a California limited liability company, B-K LIGHTING, INC., a California corporation, FREDERICK J. GRANT, an individual, CHRISTINE GRANT, an individual, RUSS CAPITAL GROUP, LLC, an Arizona limited liability company, JOSEPH DUSSICH, an individual, MOUNTAIN WEST BANK, an Idaho corporation, STATE OF IDAHO, Department of Revenue and Taxation, MONTAHENO INVESTMENTS LLC, a Nevada limited liability company, TOYON INVESTMENTS LLC, a Nevada limited liability company, CHARLES W. REEVES and ANN B. REEVES, husband and wife, ACI NORTHWEST, INC., an Idaho corporation,

Defendants.

Defendant North Idaho Resorts, LLC, an Idaho limited liability company, timely filed a motion to disqualify the undersigned pursuant to Idaho Rule of Civil Procedure 40(d)(1). Idaho Rule of Civil Procedure 40(d)(1) provides that a motion timely filed shall be granted.

NOW THEREFORE, Defendant's motion to disqualify the undersigned is hereby granted.

DATED this 2ND November 9TH day of October, 2011.



JOHN STEGNER
District Judge

CLERK'S CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following persons in the manner indicated this 4 day of ~~October~~^{November}, 2011:

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Judge Budie
Fax 208-799-3058

Linda Appel
Clerk

\\NWFEZEL\disk1\FILES\WV\Hill, Dick\North Idaho Resort\Pacific Capital Bank v. NTR, LLC\pleadings\NTR pleadings\Order Granting Motion to Disqualify.doc

CV-11-135

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

NOV 15 PM 3:54

CLERK DISTRICT COURT
LEAH

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF
THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER

RE: Assignment of District Court Cases for Bonner County

The following cases are hereby reassigned to Judge Michael Griffin, whose chambers are located in Grangeville, Idaho, following disqualification of Judge John Stegner.

CIVIL

CV2011-135 Pacific Capital Bank v. Pend Oreille Bonner Development, et al., (needs jury trial setting)

CV2010-2142 Sage Holdings v. Pend Oreille Bonner Development, et al., (needs jury trial setting)

CV2009-1810 Genesis Golf Builders v. Pend Oreille Bonner Development, et al., (needs jury trial setting)

DATED this 15 day of November 2011.


Jeff M. Brudie
Administrative District Judge

CERTIFICATE OF MAILING

I hereby certify that a true copy of the foregoing ORDER REASSIGNING CASES was delivered to the following:

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Peter W. Ware
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D. Toby McLaughlin
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ORDER REASSIGNING CASES - 2

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R. Wayne Sweney
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Susan P. Weeks
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Honorable Michael Griffin
320 W. Main Street
Grangeville, ID 83530

on this 21 day of November, 2011.


Deputy Clerk

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FILED
MAR 12 4 57
CLERK OF DISTRICT COURT
DISTRICT OF TEXAS

Attorney for Plaintiff

DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT

STATE OF IDAHO, COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a national
banking association

Plaintiff,

vs.

PEND OREILLE BONNER DEVELOPMENT,
LLC, a Nevada limited liability company, et al

Defendants.

) CASE NO. CV 2011-0135

)

)

) NOTICE OF STATUS AND ENTRY OF

) AN ORDER FOR RELIEF FROM

) AUTOMATIC STAY NORTHERN

) DISTRICT OF TEXAS

)

)

)

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)

COMES NOW, the plaintiff, PACIFIC CAPITAL BANK, N.A. (hereinafter the "Bank"), by and through its attorney of record, John E. Miller of *The Law Office of John E. Miller, A Professional Corporation*, and hereby gives notice to the Court and appearing parties of the entry , on March 7, 2012, of an Order Granting Motion to Approve Joint Stipulation Modifying the Automatic Stay as to Pacific Capital Bank, N.A. (hereinafter the "Order") as

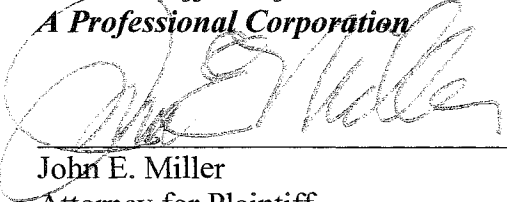
NOTICE OF STATUS AND ENTRY OF AN ORDER FOR RELIEF
FROM AUTOMATIC STAY NORTHERN DISTRICT OF TEXAS

related to notice defendant RE LOANS, LLC. A true and correct copy of said Order is attached hereto as Exhibit 1.

The Bank further provides notice to the Court and appearing parties that the bankruptcy as to notice defendant MORTGAGE FUND '08, LLC. remains pending. The status of the effort by the Bank to obtain relief from stay in this bankruptcy is that a similar order for relief is expected in the very near future. Once received, the Bank, through counsel will ask that this Court lift its Stay Order entered September 28, 2011.

DATED this 9th day of March 2012.

*The Law Office Of John E. Miller
A Professional Corporation*


John E. Miller
Attorney for Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing document to be:

☒ mailed postage prepaid
☐ Facsimile transmitted to
☐ hand delivered

to the following address on this 9th day of March 2012:

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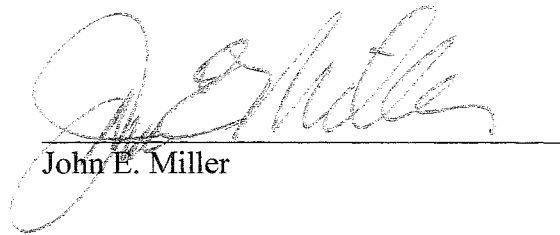
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NOTICE OF STATUS AND ENTRY OF AN ORDER FOR RELIEF
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755 W. Front Street, Ste. 200
Boise, Idaho 83702



John E. Miller

NOTICE OF STATUS AND ENTRY OF AN ORDER FOR RELIEF
FROM AUTOMATIC STAY NORTHERN DISTRICT OF TEXAS

ENTER D

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET



The following constitutes the ruling of the court and has the force and effect therein described.

Barbara J. Houser

United States Bankruptcy Judge

Signed March 07, 2012

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§	Chapter 11
	§	
R.E. LOANS, LLC,	§	Case No. 11-35865-BJH
R.E. FUTURE, LLC and	§	
CAPITAL SALVAGE, a California	§	Jointly Administered
corporation,	§	
	§	
Debtors.	§	

**ORDER GRANTING MOTION TO APPROVE JOINT STIPULATION MODIFYING
THE AUTOMATIC STAY AS TO PACIFIC CAPITAL BANK, N.A.**

Pending before the Court is the *Motion to Approve Joint Stipulation Modifying the Automatic Stay as to Pacific Capital Bank, N.A.* [Docket No. 486] (the “**Motion**”)¹ of R.E. Loans, LLC, a California limited liability company (“**R.E. Loans**”), one of the debtors and debtors-in-possession in the above-captioned cases.

Having reviewed the Motion, and after due deliberation and consideration, the Court finds that notice was appropriate under the circumstances, and no further notice is necessary, and

¹ Capitalized terms not otherwise defined herein shall have the definitions ascribed in the Motion.

it cause exists to grant the relief requested in the Motion to the extent set forth below.

Therefore, it is hereby **ORDERED** that:

1. The Motion is granted as set forth herein.
2. The Stipulation, as attached to the Motion, is hereby approved.
3. The automatic stay of 11 U.S.C. § 362 is hereby terminated as to the Bank, and the Bank may enforce all of its rights and remedies to foreclose upon and obtain possession of the Property in accordance with applicable nonbankruptcy law.
4. The automatic stay imposed by 11 U.S.C. § 362 is terminated as to the Bank, and the Bank may proceed in the District Court of the First Judicial District of the State of Idaho, County of Bonner, entitled *Pacific Capital Bank, N.A. v. Pend Oreille Bonner Development, LLC, et al*, Case No. CV 2011-0135, for mortgage foreclosure and reformation of legal description.
5. The Bank shall not have any claims against R.E. Loans under the Bank Loan, the Bank Note, and/or the Bank Deed of Trust.
6. The stay of this Order under Fed. R. Bankr. P. 4001 or any similar rule is hereby waived for cause, and this Order shall be effective immediately upon entry on the Court's docket.
7. This Order shall be binding upon all successors and assigns of each party to the Stipulation.
8. This Court shall maintain jurisdiction to hear and determine all matters arising from the implementation of this Order and the Stipulation.

End of Order

Prepared and submitted by:

/s/ Holland N. O'Neil

Stephen A. McCartin (TX 13374700)

Holland Neff O'Neil (TX 14864700)

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/s/ Jeffrey C. Krause

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**COUNSEL FOR DEBTORS AND DEBTORS IN
POSSESSION**

2012 MAY -2 A 10:12

DAVID SCOTT
CLERK DISTRICT COURT
DEPUTY

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Attorney for Plaintiff

DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT

STATE OF IDAHO, COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a national banking association	)	CASE NO. CV 2011-0135
)	
Plaintiff,	)	NOTICE OF STATUS; ENTRY OF AN
	)	ORDER FOR RELIEF FROM
vs.	)	AUTOMATIC STAY NORTHERN
	)	DISTRICT OF CALIFORNIA; AND
PEND OREILLE BONNER DEVELOPMENT, LLC, a Nevada limited liability company, et al	)	REQUEST TO LIFT THE STAY ORDER
	)	OF SEPTEMBER 28, 2011.
Defendants.	)	NO HEARING REQUESTED
)	
)	

COMES NOW, the plaintiff, PACIFIC CAPITAL BANK, N.A. (hereinafter the "Bank"), by and through its attorney of record, John E. Miller of *The Law Office of John E. Miller, A Professional Corporation*, and hereby gives notice to the Court and appearing parties of the entry , on April 26, 2012, of an Order Granting Motion of Pacific Capital Bank, N.A. to Approve Stipulation for Relief from the Automatic Stay; and Approving Stipulation for Relief

NOTICE OF STATUS; ENTRY OF AN ORDER FOR
RELIEF FROM AUTOMATIC STAY NORTHERN
DISTRICT OF CALIFORNIA; AND REQUEST TO
LIFT THE STAY ORDER OF SEPTEMBER 28, 2011

from the Automatic Stay (hereinafter the "Order") as related to defaulted notice defendant MORTGAGE FUND '08. A true and correct copy of said Order is attached hereto as Exhibit 1.

The Bank further provides notice to the Court and appearing parties that with this Order entered the reasons for this Court's Stay Order of September 28, 2011 have been removed.

The Bank therefore respectfully requests that this Court enter an order lifting its Stay Order entered September 28, 2011 and reinstate this action to active status.

DATED this 27th day of April 2012.

The Law Office Of John E. Miller
A Professional Corporation



John E. Miller
Attorney for Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing document to be:

☒ mailed postage prepaid
☐ Facsimile transmitted to
☐ hand delivered

to the following address on this 27th day of April 2012:

John R. Layman, Esq.
Patti Jo Foster, Esq.
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601 s. Division Street
Spokane, WA 99202

Facsimile No.: (509) 624-2902

NOTICE OF STATUS; ENTRY OF AN ORDER FOR
RELIEF FROM AUTOMATIC STAY NORTHERN
DISTRICT OF CALIFORNIA; AND REQUEST TO
LIFT THE STAY ORDER OF SEPTEMBER 28, 2011

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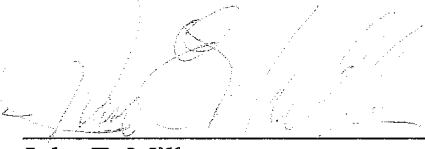
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NOTICE OF STATUS; ENTRY OF AN ORDER FOR
RELIEF FROM AUTOMATIC STAY NORTHERN
DISTRICT OF CALIFORNIA; AND REQUEST TO
LIFT THE STAY ORDER OF SEPTEMBER 28, 2011

Rick L. Stacey
Anna Eberlin
Meuleman Mollerup LLP
755 W. Front Street, Ste. 200
Boise, Idaho 83702



John E. Miller

NOTICE OF STATUS; ENTRY OF AN ORDER FOR
RELIEF FROM AUTOMATIC STAY NORTHERN
DISTRICT OF CALIFORNIA; AND REQUEST TO
LIFT THE STAY ORDER OF SEPTEMBER 28, 2011




1 Peter Csato (State Bar No. 89272)
pcsato@frandzel.com

2 Reed S. Waddell (State Bar No. 10664) The following constitutes
rwaddell@frandzel.com the order of the court. Signed April 25, 2012

3 Loren Gordon (State Bar No. 234093)
lgordon@frandzel.com

4 FRANDZEL ROBINS BLOOM & CSATO
6500 Wilshire Boulevard
5 Seventeenth Floor
Los Angeles, California 90048-4920
6 Telephone: (323) 852-1000
Facsimile: (323) 651-2577


Roger L. Efremsky
U.S. Bankruptcy Judge

7 Attorneys for Pacific Capital Bank, N.A.

8
9 UNITED STATES BANKRUPTCY COURT
10 NORTHERN DISTRICT OF CALIFORNIA
11 OAKLAND DIVISION

12 In re

CASE No. 11-49803-RLE

13 MORTGAGE FUND '08 LLC,

Chapter 11

14 Debtor.

**ORDER GRANTING MOTION OF
PACIFIC CAPITAL BANK, N.A. TO
APPROVE STIPULATION FOR RELIEF
FROM THE AUTOMATIC STAY; AND
APPROVING STIPULATION FOR
RELIEF FROM THE AUTOMATIC STAY**

[No hearing unless requested or objection
received pursuant to Local Bankruptcy Rule
9014-1(b) (3)]

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20 The Court having considered the Motion to Approve Stipulation for Relief from Stay
21 ("Motion") and the Stipulation for Relief From Stay ("Stipulation") by and among Pacific Capital
22 Bank, N.A. ("Bank"), and Mortgage Fund '08 LLC ("Debtor"), by and through Susan L. Uecker,
23 its duly appointed Liquidating Trustee ("Liquidating Trustee"), and good cause appearing,

24 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the Motion is
25 **GRANTED.**

26 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Stipulation is
27 **APPROVED.**

28 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the automatic stay

1 pursuant to 11 U.S.C. Section 362(a) is hereby terminated to allow the Bank to take any and all
2 action necessary to foreclose its lien on the real property commonly known as NNA, Hope, ID
3 83836 (the "Property") by nonjudicial or judicial foreclosure pursuant to 11 U.S.C. Sections
4 362(d)(1) and (2).

5 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the automatic stay is
6 terminated to allow the Bank, its successors, transferees and assigns, to enforce its remedies to
7 foreclose upon and obtain possession of the Property in accordance with applicable non-
8 bankruptcy law, but not to pursue any deficiency claim against the Debtor or property of the estate
9 except by filing a proof of claim pursuant to 11 U.S.C. Section 501. The Bank may proceed in
10 Federal, State, or Bankruptcy Court with any action it believes is necessary or appropriate to take
11 possession of and liquidate the Property.

12 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Bank, its
13 successors, transferees and assigns, may have relief from the automatic stay to proceed with its
14 action in the District Court of the First Judicial District of the State of Idaho, County of Bonner,
15 entitled *Pacific Capital Bank, N.A. v. Pend Oreille Bonner Development, LLC, et al*, Case No. CV
16 2011-0135 for mortgage foreclosure and reformation of legal description.

17 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that: (a) the Bank is
18 granted immediate relief from the automatic stay to enforce all of its rights and remedies with
19 respect to the Property, including having the Property sold pursuant to law, including sale by way
20 of trustee sale; and (b) a foreclosing trustee under the Deed of Trust is authorized to cause the
21 Property to be sold pursuant to law, including sale by way of trustee sale.

22 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Stipulation and this
23 Order shall remain effective by and between the Bank and the Debtor in the event this case is
24 dismissed and a new Chapter proceeding is filed or in the event this case is converted to another
25 Chapter of the Bankruptcy Code.

26 ///

27 ///

28 ///

1 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the fourteen day stay
2 provided by Federal Rule of Bankruptcy Procedure 4001(a)(3) is waived, and this Order is
3 effective immediately.

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall
5 maintain jurisdiction to hear all matters arising from the implementation of this Order and the
6 Stipulation.

7 ##END OF ORDER##
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COURT SERVICE LIST

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NONE

Richard L. Stacey, ISB #6800
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RM10661.002\PLDMotion for Telephonic Appearance 120511.doc

Attorneys for R.E. Loans, LLC

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER

PACIFIC CAPITAL BANK, NA., a national
banking association,

Plaintiff,

v.

PEND OREILLE BONNER
DEVELOPMENT, LLC, et al.

Defendants.

**AND ASSOCIATED COUNTERCLAIMS,
CROSS-CLAIMS, AND THIRD-PARTY
COMPLAINTS.**

Case No. CV-2011-0135

**R.E. LOANS, LLC'S MOTION FOR
TELEPHONIC APPEARANCE**

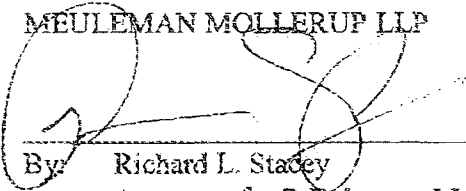
[Re: May 31, 2012 at 10:00 a.m.]

COMES NOW, Defendant R.E. Loans, LLC ("R.E. Loans"), by and through its attorneys, Meuleman Mollerup LLP, and, pursuant to Rule 7(b)(4) of the Idaho Rules of Civil Procedure, moves this Court for an Order allowing R.E. Loans to appear telephonically at the hearing on Plaintiff's *Request to Lift the Stay Order of September 28, 2011* (the "Motion") scheduled for May 31, 2012, at 10:00 a.m. Pacific Standard Time.

Counsel for R.E. Loans is located in Boise, Idaho, and would have to incur costly travel to attend the hearing at the Idaho County Courthouse in Grangeville, Idaho. R.E. Loans is willing to coordinate a conference call for the telephonic appearance. For the foregoing reasons, R.E. Loans respectfully requests the Court issue an Order Granting Telephonic Appearance at the above-referenced hearing.

DATED this 14th day of May 2012.

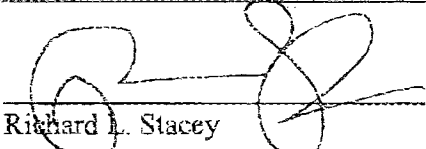
MEULEMAN MOLLERUP LLP


By: Richard L. Stacey
Attorneys for R.E. Loans, LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 14th day of May 2012, a true and correct copy of the foregoing document was served by the method indicated below to the following parties:

John E. Miller The Law Office of John E. Miller 206 Indiana Ave., Ste. 200 Coeur d'Alene, ID 83814 Telephone: 208/665-9464 Facsimile: 208/665-9176 <i>Counsel for Plaintiff</i> <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email	Gary A. Finney Finney Finney & Finney, P.A. 120 E. Lake Street, Ste 317 Sandpoint, Idaho 83864 Fax: 208/263-8211 <i>Counsel for J.V., LLC</i> <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email
John Finney Finney Finney & Finney, P.A. 120 E. Lake Street, Ste 317 Sandpoint, Idaho 83864 Fax: 208/263-8211 <i>Counsel for ACI Northwest, Inc.</i> <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email	Steven C. Wetzel James, Vernon & Weeks, PA 1626 Lincoln Way Coeur d'Alene, ID 83814 Fax: 208/664-1684 <i>Counsel for North Idaho Resorts, LLC</i> <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email
John G. Layman Patti Jo Foster Layman, Layman & Robinson, PLLP 601 South Division Street Spokane, WA 99202 Fax: 509/624-2902 <i>Counsel for Pend Oreille Bonner Development, LLC, Pend Oreille Bonner Development Holdings, Inc., Montaheno Investments, LLC, and Toyon Investments, LLC</i> <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email	Richard W. Sweney Lukins & Annis PS 601 E. Front Ave., Ste. 502 Coeur d'Alene, ID 83814 Fax: 208/664-4125 <i>Counsel for Mountain West Bank</i> <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email
Douglas S. Marfice Ramsden & Lyons, LLP P.O. Box 1336 Coeur d'Alene, ID 83816-1336 Fax: 208/664-5884 <i>Counsel for B-K Lighting, Inc.</i> <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email	Bruce A. Anderson Elsaesser Jarzabek Anderson Elliott & MacDonald, Chtd. 1400 Northwood Center Ct., Ste. C Coeur d'Alene, ID 83814 Fax: 208/667-2150 <i>Counsel for Dan S. Jacobson, Steven G. Lazar, and Sage Holdings, LLC</i> <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email


Richard L. Stacey

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FILED
JUL 14 2011
CLERK OF DISTRICT COURT
IDAHO COUNTY
COEUR D'ALENE, IDAHO

Attorney for Plaintiff

DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT

STATE OF IDAHO, COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a national
banking association

Plaintiff,

vs.

PEND OREILLE BONNER DEVELOPMENT,
LLC, a Nevada limited liability company, et al

Defendants.

) **CASE NO. CV 2011-0135**
)
) **NOTICE OF HEARING RE PLAINTIFF'S**
) **REQUEST TO LIFT THE STAY ORDER**
) **OF SEPTEMBER 28, 2011.**
)
) **DATE: MAY 31, 2012**
) **TIME: 10:00 am**
) **PLACE: JUDGE MICHAEL GRIFFIN'S**
) **COURTROOM**
) **IDAHO COUNTY COURT**
) **320 W. Main Street**
) **Grangeville, ID**
)

PLEASE TAKE NOTICE that on May 31, 2012, at 10:00 am, or as soon thereafter as may be convenient to the Court, any OBJECTION OR OPPOSITION to the plaintiff's REQUEST TO LIFT THE STAY ORDER OF SEPTEMBER 28, 2011 (herein the "Stay

NOTICE OF HEARING RE PLAINTIFF'S REQUEST
TO LIFT THE STAY ORDER OF SEPTEMBER 28, 2011


Order”), filed and served by the plaintiff on or about April 27, 2012, shall come on for hearing before the Hon. Michael Griffin.

NOTICE IS FURTHER GIVEN that any interested party with OBJECTION OR OPPOSITION to the Court entering an Order Lifting the Stay Order must file and serve on all appearing parties his/her/its Objection or Opposition on or before May 25, 2012.

IF THE COURT DOES NOT RECEIVE A WRITTEN OBJECTION OR OPPOSITION TO THE REQUESTED RELIEF BY MAY 25, 2012, THE COURT WILL ENTER AN ORDER LIFTING THE STAY ORDER WITHOUT CONDUCTING THE HEARING ON MAY 31, 2012.

DATED this 11th day of May 2012.

The Law Office Of John E. Miller
A Professional Corporation



John E. Miller
Attorney for Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing document to be:

_____ mailed postage prepaid
 X Facsimile transmitted to
_____ hand delivered

to the following address on this 11th day of May 2012:

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Spokane, WA 99202

Facsimile No.: (509) 624-2902

NOTICE OF HEARING RE PLAINTIFF’S REQUEST
TO LIFT THE STAY ORDER OF SEPTEMBER 28, 2011

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Jonathon D. Hallin
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NOTICE OF HEARING RE PLAINTIFF'S REQUEST
TO LIFT THE STAY ORDER OF SEPTEMBER 28, 2011

Rick L. Stacey
Anna Eberlin
Meuleman Mollerup LLP
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Boise, Idaho 83702

Fax (208) 336-9712



John E. Miller

NOTICE OF HEARING RE PLAINTIFF'S REQUEST
TO LIFT THE STAY ORDER OF SEPTEMBER 28, 2011

Last Transaction

Date	Time	Type	Station ID	Duration	Pages	Result
May 11	9:26AM	Fax Sent	15096242902	0:40	4	OK
May 11	9:27AM	Fax Sent	6645884	0:53	4	OK
May 11	9:29AM	Fax Sent	6672150	0:39	4	OK
May 11	9:29AM	Fax Sent	6664111	1:11	4	OK
May 11	9:31AM	Fax Sent	6646741	0:41	4	OK
May 11	9:32AM	Fax Sent	12082638211	1:40	4	OK
May 11	9:34AM	Fax Sent	12082638211	0:54	4	OK
May 11	9:35AM	Fax Sent	12083369712	0:45	4	OK

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

2012 MAY 23 A 8:48.

NAME SOCI.
CLERK DISTRICT COURT

DEPUTY.

Richard L. Stacey, ISB #6800
Anna E. Eberlin, ISB #7718
MEULEMAN MOLLERUP LLP
755 W. Front Street, Suite 200
Boise, Idaho 83702
(208) 342-6066 Telephone
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stacey@lawidaho.com

K:\0061.002\PLD\Order Granting R.E. Loans' Motion for Telephonic Appearance 120511.doc

Attorneys for R.E. Loans, LLC

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER

PACIFIC CAPITAL BANK, NA., a national
banking association,

Plaintiff,

v.

PEND OREILLE BONNER
DEVELOPMENT, LLC, et al.

Defendants.

Case No. CV-2011-0135

ORDER GRANTING R.E. LOANS, LLC'S
MOTION FOR TELEPHONIC
APPEARANCE

[Re: May 31, 2012 at 10:00 a.m.]

AND ASSOCIATED COUNTERCLAIMS,
CROSS-CLAIMS, AND THIRD-PARTY
COMPLAINTS.

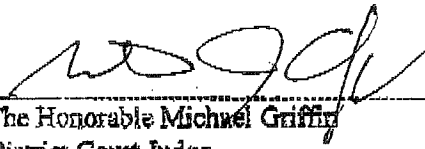
Defendant R.E. Loans, LLC ("R.E. Loans") *Motion for Telephonic Appearance* having
been filed with the Court, and good cause appearing therefor;

IT IS HEREBY ORDERED, AND THIS DOES ORDER, that R.E. Loans' *Motion for
Telephonic Appearance* shall be and is hereby GRANTED allowing R.E. Loans to appear

telephonically at the hearing on Plaintiff's Request to Lift the Stay Order of September 28, 2011 (the "Motion") scheduled for May 31, 2012, at 10:00 a.m. Pacific Standard Time.

R.E. Loans shall schedule a conference call and advise the parties hereto of the call-in information.

DATED this 23 day of May 2012.


The Honorable Michael Griffin
District Court Judge

CLERK'S CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 23 day of May 2012, a true and correct copy of the foregoing document was served by the method indicated below to the following parties:

<p>John E. Miller The Law Office of John E. Miller 206 Indiana Ave., Ste. 200 Coeur d'Alene, ID 83814 Telephone: 208/665-9464 Facsimile: 208/665-9176 Counsel for Plaintiff</p> <p><input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email</p>	<p>Gary A. Finney Finney Finney & Finney, P.A. 120 E. Lake Street, Ste 317 Sandpoint, Idaho 83864 Fax: 208/263-8211 Counsel for J.V. LLC</p> <p><input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email</p>
<p>John Finney Finney Finney & Finney, P.A. 120 E. Lake Street, Ste 317 Sandpoint, Idaho 83864 Fax: 208/263-8211 Counsel for ACI Northwest, Inc.</p> <p><input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email</p>	<p>Steven C. Weizel James, Vernon & Weeks, PA 1626 Lincoln Way Coeur d'Alene, ID 83814 Fax: 208/664-1684 Counsel for North Idaho Resorts, LLC</p> <p><input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email</p>
<p>John G. Layman Patti Jo Foster Layman, Layman & Robinson, PLLP 601 South Division Street Spokane, WA 99202 Fax: 509/624-2902 Counsel for Pend Oreille Bonner Development, LLC, Pend Oreille Bonner Development Holdings, Inc., Montaheno Investments, LLC, and Toyon Investments, LLC</p> <p><input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email</p>	<p>Richard W. Swamey Lukins & Annis PS 601 E. Front Ave., Ste. 502 Coeur d'Alene, ID 83814 Fax: 208/664-4125 Counsel for Mountain West Bank</p> <p><input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email</p>

<p>Douglas S. Marfice Ramsden & Lyons, LLP P.O. Box 1336 Coeur d'Alene, ID 83816-1336 Fax: 208/664-5884 Counsel for B-K Lighting, Inc. <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email</p>	<p>Bruce A. Anderson Eisacasser Jarzabek Anderson Elliott & MacDonald, Chid. 1400 Northwood Center Ct., Ste. C Coeur d' Alene, ID 83814 Fax: 208/667-2150 Counsel for Dan S. Jacobson, Steven G. Loxer, and Sage Holdings, LLC <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email</p>
<p>Richard L. Stacey Anna E. Eberlin Meuleman Mollerup LLP 755 W. Front St., Ste. 200 Boise, ID 83702 Fax: 208/336-9712 Counsel for R.E. Loans, LLC <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email</p>	

Lincoln
Deputy Clerk

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

2012 MAY 23 P 2:16

JUDITH S. COLE
CLERK DISTRICT COURT
DEPUTY

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Anna E. Eberlin, ISB #7718
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stacey@lawidaho.com
E:\10061.002\PLD\R.E. Loans' Conditional Objection to Pacific's Mtn to Lift Stay.doc

Attorneys for R.E. Loans, LLC

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER

PACIFIC CAPITAL BANK, NA., a national
banking association,

Plaintiff,

v.

PEND OREILLE BONNER
DEVELOPMENT, LLC, et al.

Defendants.

Case No. CV-2011-0135

**R.E. LOANS, LLC'S CONDITIONAL
OBJECTION TO PACIFIC CAPITAL
BANK, N.A.'S REQUEST TO LIFT THE
STAY ORDER**

**AND ASSOCIATED COUNTERCLAIMS,
CROSS-CLAIMS, AND THIRD-PARTY
COMPLAINTS.**

COMES NOW Defendant R.E. Loans, LLC ("RE Loans"), by and through its counsel of record, Meuleman Mollerup LLP, and submits its Conditional Objection to Pacific Capital Bank, N.A.'s Request to Lift the Stay Order.

Based upon a stipulation entered into between the Bank and RE Loans, the Texas Bankruptcy Court entered its Order Granting Motion to Approve Joint Stipulation Modifying the Automatic Stay as to Pacific Capital Bank, N.A. (the "RE Loans Bankruptcy Order") on March 9, 2012. Likewise, based upon a stipulation entered into between the Bank and Mortgage Fund '08 LLC, the California Bankruptcy Court entered its Order Granting Motion of Pacific Capital Bank, N.A. to Approve Stipulation For Relief from the Automatic Stay; and Approving Stipulation for Relief From the Automatic Stay (the "Mortgage Fund 08 Bankruptcy Order") on April 26, 2012 (collectively, the "Bankruptcy Court Orders").


Both of the Bankruptcy Court Orders only allow the Bank to proceed in state court to foreclose its mortgage. No other relief was granted by the bankruptcy courts, nor was it requested of either of them. The Bankruptcy Court Orders were premised on stipulations with Mortgage Fund 08 and RE Loans that the Bank could move forward with its foreclosure because the Bank had a senior interest in the specific property encumbered by its loan. This underlying reasoning behind the stipulations is not applicable to other parties and/or actions.

RE Loans has no objection to Pacific Capital Bank's (the "Bank") request to lift the stay order of September 28, 2011 so long as the stay is lifted only to the extent the bankruptcy court order allows. However, this Conditional Objection is necessary because at least one party is requesting the Court to interpret the request for stay relief to apply to all parties and all actions. In ACI Northwest, Inc.'s ("ACI") No Objection to Lifting Stay, it states that it has no objection to the lifting of the stay "on the premise that the orders obtained by the Plaintiff herein allow lien priority adjudication of all the parties to proceed." This interpretation is in direct contravention of the Bankruptcy Court Orders.

Any expansion of the Bankruptcy Court Orders in state court would constitute a violation of the automatic stay which is still in place as to all other parties and actions. Therefore, RE Loans objects to the the Bank's Request to Lift the Stay Order to the extent it requests stay relief beyond that granted by the Bankruptcy Court Orders, i.e. the foreclosure of the Bank's mortgage.

DATED this 23rd day of May 2012.


MEULEMAN MOLLERUP LLP


By: Anna E. Eberlin
Attorneys for R.E. Loans, LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 23rd day of May 2012, a true and correct copy of the foregoing document was served by the method indicated below to the following parties:

<p>John E. Miller The Law Office of John E. Miller 206 Indiana Ave., Ste. 200 Coeur d'Alene, ID 83814 Telephone: 208/665-9464 Facsimile: 208/665-9176 <i>Counsel for Plaintiff</i> <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email</p>	<p>Gary A. Finney Finney Finney & Finney, P.A. 120 E. Lake Street, Ste 317 Sandpoint, Idaho 83864 Fax: 208/263-8211 <i>Counsel for J.V., LLC</i> <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email</p>
<p>John Finney Finney Finney & Finney, P.A. 120 E. Lake Street, Ste 317 Sandpoint, Idaho 83864 Fax: 208/263-8211 <i>Counsel for ACI Northwest, Inc.</i> <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email</p>	<p>Steven C. Wetzel James, Vernon & Weeks, PA 1626 Lincoln Way Coeur d'Alene, ID 83814 Fax: 208/664-1684 <i>Counsel for North Idaho Resorts, LLC</i> <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email</p>
<p>John G. Layman Patti Jo Foster Layman, Layman & Robinson, PLLP 601 South Division Street Spokane, WA 99202 Fax: 509/624-2902 <i>Counsel for Pend Oreille Bonner Development, LLC, Pend Oreille Bonner Development Holdings, Inc., Montaheno Investments, LLC, and Toyon Investments, LLC</i> <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email</p>	<p>Richard W. Sweney Lukins & Annis PS 601 E. Front Ave., Ste. 502 Coeur d'Alene, ID 83814 Fax: 208/664-4125 <i>Counsel for Mountain West Bank</i> <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email</p>
<p>Douglas S. Marfice Ramsden & Lyons, LLP P.O. Box 1336 Coeur d'Alene, ID 83816-1336 Fax: 208/664-5884 <i>Counsel for B-K Lighting, Inc.</i> <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email</p>	<p>Bruce A. Anderson Elsaesser Jarzabek Anderson Elliott & MacDonald, Chtd. 1400 Northwood Center Ct., Ste. C Coeur d'Alene, ID 83814 Fax: 208/667-2150 <i>Counsel for Dan S. Jacobson, Steven G. Lazar, and Sage Holdings, LLC</i> <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Overnight <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Email</p>


Anna E. Eberlin

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Attorneys for Defendants
Pend Oreille Bonner Development, LLC
Montaheno Investments, LLC and
Toyon Investments, LLC

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a
national banking association,

Plaintiff,

vs.

PEND OREILLE BONNER
DEVELOPMENT, LLC, a Nevada
limited liability company, JV L.L.C., an
Idaho limited liability company, DAN S.
JACOBSON, an individual, SAGE
HOLDINGS, INC., an Idaho limited
liability company, TIMBERLINE
INVESTMENTS, LLC, an Idaho limited
liability company, STEVEN G. LAZAR,
an individual, AMY KORENGUT, an
individual, HLT REAL ESTATE, LLC,
PANHANDLE STATE BANK, an Idaho
corporation, R.E. LOANS, LLC, a
California limited liability company,
WELLS FARGO FOOTHILL, INC., a
Delaware corporation, NORTH IDAHO

Case No. CV-2011-0135

PEND OREILLE BONNER
DEVELOPMENT, LLC'S MOTION
FOR TELEPHONIC APPEARANCE

[Re: May 31, 2012 at 10:00 a.m.]

PEND OREILLE BONNER DEVELOPMENT, LLC
MOTION FOR TELEPHONIC APPEARANCE-1-

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

2012 MAY 24 P 4:04

CLERK DISTRICT COURT
DEPUTY

RESORTS, LLC, an Idaho limited liability company, PEND OREILLE BONNER DEVELOPMENT HOLDINGS, INC., a Nevada corporation, PENSICO TRUST CO., custodian f/b/a Barney Ng, a California corporation, MORTGAGE FUND '08 LLC, a California limited liability company, B-K LIGHTING, INC., a California corporation, FREDERICK J. GRANT, an individual, CHRISTINE GRANT, an individual, RUSS CAPITAL GROUP, LLC, an Arizona limited liability company, JOSEPH DUSSICH, an individual, MOUNTAIN WEST BANK, an Idaho corporation, STATE OF IDAHO, Department of Revenue and Taxation, MONTAHEMO INVESTMENTS, INC., a Nevada limited liability company, TOYON INVESTMENTS, LLC, a Nevada limited liability company, CHARLES W. REEVES and ANN B. REEVES, husband and wife, ACI NORTHWEST, INC., an Idaho corporation,

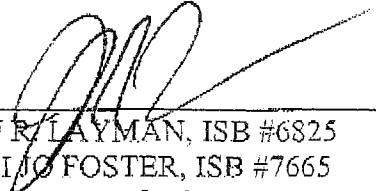
Defendant.

COMES NOW, Defendant Pend Oreille Bonner Development, LLC, by and through its attorneys, Layman Law Firm, PLLP, and, pursuant to Rule 7(b)(4) of the Idaho Rules of Civil Procedure, moves for an Order allowing Pend Oreille Bonner Development, LLC to appear telephonically at the hearing on Plaintiff's Request to Lift the Stay Order of September 28, 2011 (the "Motion") scheduled for May 31, 2012, at 10:00 a.m. Pacific Standard Time.

Counsel for Pend Oreille Bonner Development, LLC, is located in Spokane, Washington, and would have to incur costly travel to attend the hearing at the Idaho

County Courthouse in Grangeville, Idaho. Pend Oreille Bonner Development, LLC is willing to coordinate a conference call for the telephonic appearance. For the foregoing reasons, Pend Oreille Bonner Development LLC respectfully requests the Court issue an Order Granting Telephonic Appearance at the above-referenced hearing.

DATED this _____ day of May, 2012.



JOHN R. LAYMAN, ISB #6825
PATTI O FOSTER, ISB #7665
Attorneys for Defendant
Pend Oreille Bonner Development, LLC

CERTIFICATE OF SERVICE

I hereby certify that on the 24 day of May, 2012, I caused to be served a true and correct copy of the foregoing document by the method indicated below, and addressed to the following:

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*Attorneys for Dan S. Jacobson; Sage
Holdings, LLC; Steven G. Lazar*

By: Wendy Ahman

05/24/2012 15:59 5096 .902

L L & R

PAGE 07/11

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Attorneys for Defendant
 Pend Oreille Bonner Development, LLC
 Montaheno Investments, LLC;
 Toyon Investments, LLC

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT
 OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a
 national banking association,

Plaintiff,

vs.

PEND OREILLE BONNER
 DEVELOPMENT, LLC, a Nevada
 limited liability company, JV L.L.C., an
 Idaho limited liability company, DAN S.
 JACOBSON, an individual, SAGE
 HOLDINGS, INC., an Idaho limited
 liability company, TIMBERLINE
 INVESTMENTS, LLC, an Idaho limited
 liability company, STEVEN G. LAZAR,
 an individual, AMY KORENGUT, an
 individual, HLT REAL ESTATE, LLC,
 PANHANDLE STATE BANK, an Idaho
 corporation, R.E. LOANS, LLC, a
 California limited liability company,
 WELLS FARGO FOOTHILL, INC., a
 Delaware corporation, NORTH IDAHO

Case No. CV-2011-0135

ORDER GRANTING PEND OREILLE
 BONNER DEVELOPMENT, LLC'S
 MOTION FOR TELEPHONIC
 APPEARANCE

[Re: May 31, 2012 at 10:00 a.m.]

STATE OF IDAHO
 COUNTY OF BONNER
 FIRST JUDICIAL DIST.

2012 MAY 25 P 12:00

DAVID SCOTT
 CLERK DISTRICT COURT
 DEPUTY

ORDER GRANTING PEND OREILLE BONNER
 DEVELOPMENT'S MOTION FOR TELEPHONIC ATTENDANCE-1-

05/24/2012 15:59 50962-2902

L L & R

PAGE 08/11

RESORTS, LLC, an Idaho limited liability company, PEND OREILLE BONNER DEVELOPMENT HOLDINGS, INC., a Nevada corporation, PENSICO TRUST CO., custodian f/b/a Barney Ng, a California corporation, MORTGAGE FUND '08 LLC, a California limited liability company, B-K LIGHTING, INC., a California corporation, FREDERICK J. GRANT, an individual, CHRISTINE GRANT, an individual, RUSS CAPITAL GROUP, LLC, an Arizona limited liability company, JOSEPH DUSSICH, an individual, MOUNTAIN WEST BANK, an Idaho corporation, STATE OF IDAHO, Department of Revenue and Taxation, MONTAHEMO INVESTMENTS, INC., a Nevada limited liability company, TOYON INVESTMENTS, LLC, a Nevada limited liability company, CHARLES W. REEVES and ANN B. REEVES, husband and wife, ACI NORTHWEST, INC., an Idaho corporation,

Defendant.

Defendant Pend Oreille Bonner Development, LLC Motion for Telephonic Appearance having been filed with the Court, and good cause appearing therefor;

IT IS HEREBY ORDERED, AND ADJUDGED, that Pend Oreille Bonner Development, LLC's Motion for Telephonic Appearance shall be and is hereby GRANTED allowing Pend Oreille Bonner Development, LLC to appear telephonically at the hearing on Plaintiff's Request to Lift the Stay Order of September 28, 2011, scheduled for May 31, 2012 at 10:00 a.m. Pacific Standard Time.

ORDER GRANTING PEND OREILLE BONNER DEVELOPMENT'S MOTION FOR TELEPHONIC ATTENDANCE-2-

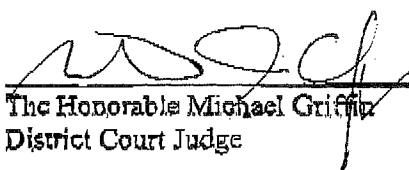
05/24/2012 15:59 5096242902

L L & R

PAGE 09/11

Pend Oreille Bonner Development, LLC shall attend the conference call
scheduled by R.E. Loans.

DATED this 25th day of May, 2012.


The Honorable Michael Griffith
District Court Judge

CERTIFICATE OF SERVICE

I hereby certify that on the 24 day of May, 2012, I caused to be served a true and correct copy of the foregoing document by the method indicated below, and addressed to the following:

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The Law Offices of John E. Miller	<input checked="" type="checkbox"/> Regular mail
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Gary A. Finney	<input type="checkbox"/> Hand-delivered
Finney, Finney & Finney, PA	<input checked="" type="checkbox"/> Regular mail
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	<i>Attorneys for JV, LLC and ACI NW, Inc.</i>
Steven C. Wetzel	<input type="checkbox"/> Hand-delivered
James, Vernon & Weeks, PA	<input checked="" type="checkbox"/> Regular mail
1626 Lincoln Way	<input type="checkbox"/> Certified mail
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	<i>Attorneys for ACI Northwest, Inc.</i>
R. Wayne Sweeney	<input type="checkbox"/> Hand-delivered
Lukins & Annis, P.S.	<input checked="" type="checkbox"/> Regular mail
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	<i>Attorneys for Mountain West Bank</i>
Douglas Marfice	<input type="checkbox"/> Hand-delivered
Ramsden & Lyons, LLP	<input checked="" type="checkbox"/> Regular mail
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<u>firm@ramsdenlyons.com</u>	<i>Attorneys for B-K Lighting, Inc.</i>

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Attorneys for Dan S. Jacobson; Sage
Holdings, LLC; Steven G. Lazar

By: Wendy Ahorn

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

2012 MAY 30 A 10:06

MARIE SCOTT
CLERK DISTRICT COURT
DEPUTY

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Attorney for Plaintiff

DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT

STATE OF IDAHO, COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a national banking association	)	CASE NO. CV 2011-0135
)	
Plaintiff,	)	OBJECTION TO THE REQUESTED
	)	APPEARANCE BY PEND OREILLE
	)	BONNER DEVELOPMENT, LLC.
vs.)	
	)	DATE: MAY 31, 2012
PEND OREILLE BONNER DEVELOPMENT,	)	TIME: 10:00 am
LLC, a Nevada limited liability company, et al	)	PLACE: JUDGE MICHAEL GRIFFIN'S
	)	COURTROOM
Defendants.	)	IDAHO COUNTY COURT
	)	320 W. Main Street
	)	Grangeville, ID
)	


COMES NOW, the Plaintiff, PACIFIC CAPITAL BANK, N.A., and objects to the requested appearance by the LAYMAN LAW FIRM, PLLP for the defaulted Defendant, PEND OREILLE BONNER DEVELOPMENT, LLC. An Order for Entry of Default as to

OBJECTION TO THE REQUESTED APPEARANCE
PEND OREILLE BONNER DEVELOPMENT, LLC.

this and other defendants represented by the LAYMAN LAW FIRM, PLLP was entered on July 21, 2011 by the Honorable Steve Verby. Said default has not been set aside precluding any appearance, telephonic or otherwise, by PEND OREILLE BONNER DEVELOPMENT, LLC.

DATED this 29th day of May 2012.

The Law Office Of John E. Miller
A Professional Corporation



John E. Miller
Attorney for Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing document to be:

☐ mailed postage prepaid
☒ Facsimile transmitted to
☐ hand delivered

to the following address on this 29th day of May 2012:

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Patti Jo Foster, Esq.
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OBJECTION TO THE REQUESTED APPEARANCE
PEND OREILLE BONNER DEVELOPMENT, LLC.

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Jonathon D. Hallin
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Rick L. Stacey
Anna Eberlin
MEULEMAN MOLLERUP LLP
755 W. Front Street, Ste. 200
Boise, Idaho 83702

Fax (208) 336-9712



John E. Miller

OBJECTION TO THE REQUESTED APPEARANCE
PEND OREILLE BONNER DEVELOPMENT, LLC.

IN THE DISTRICT COURT OF THE SECOND JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER

COURT MINUTES

May 31, 2012, at 10:02
Grangeville, Idaho

District Judge Presiding: Michael J. Griffin

Reporter: Keith Evans

Tape: District

Clerk: KathyJ

Pacific Capital Bank, N.A.)
Plaintiff,)
vs.)

Case No. CV 11-135

Pend Oreille Bonner)
Development, LLC, et al)
Defendant.)

Appearance for Plaintiff: John Miller

Appearance for Defendant: Anna Eberlin, Melanie Bailey, Bruce
Anderson, John Finney, Gary Finney

Subject of Proceedings:

BE IT KNOWN, that the following proceedings were had, to-wit:
Miller appears in the court room
All other counsel appear telephonically

10:03 Court announces case and gives synopsis of case

10:04 Eberlin argues re: lifting of stay

10:04 Court questions Eberlin re: cross claims

10:05 Bailey interjects

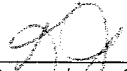
Eberlin responds to the court

G. Finney addresses the court re: counterclaim and
cross claim, only active pleadings

10:06 Bailey argues re: superior lien and intention to file cross
claim, looking for order prioritizing the liens

10:08 Eberlin argues in response, priority setting and foreclosure
issues

10:08 Court questions Eberlin re: bankruptcy


Deputy Clerk

APPROVED:

300

District Judge

Eberlin responds and discusses with the court re: bankruptcy court

10:09 Bailey addresses the court re: lifting stay on Pacific Capital only issue and affects it would have

10:10 Court questions Eberlin
Eberlin responds

10:10 Court questions Miller
Miller responds to the court and argues priority issue and need to proceed forward

10:14 G. Finney argues in rebuttal

10:15 Miller interjects in response

10:15 Finney continues argument

10:16 Eberlin responds to the court and argues re: prioritizing issue

10:17 G. Finney responds to the court

10:18 J. Finney responds to the court re: notice of no objection filed and argues adjudicating priorities

10:21 Court addresses counsel and takes motions under advisement, needs more paperwork from Bonner county

10:22 recess

Signed: _____
District Judge

Signed: _____
Deputy Court Clerk

Deputy Clerk

APPROVED:

District Judge

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

2012 JUN -7 P 4:07

DAVID S. GRIFFIN
CLERK DISTRICT COURT
David S. Griffin
DEPUTY

IN THE DISTRICT COURT OF THE SECOND JUDICIAL DISTRICT OF
THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a
National banking association,

Plaintiff,

vs.

PEND OREILLE BONNER
DEVELOPMENT, LLC, a Nevada
Limited liability company, et al.,

Defendants.

CASE NO. CV 2011-135

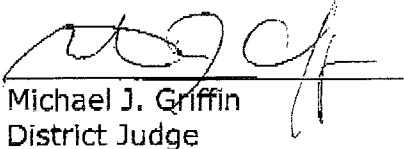
ORDER LIFING STAY

On September 28, 2011 this court entered a Stay Order based upon defendant, R.E. Loans, LLC, being granted a stay in Federal Bankruptcy Case #11-35865-BJH (Northern District of Texas, Dallas Division).

On March 7, 2012 that Federal Bankruptcy Court lifted its stay and specifically permitted the plaintiff to proceed in this case before this court.

A hearing was held. After considering argument of counsel it is hereby ORDERED that the stay entered by this court on September 28, 2011 is vacated.

So Ordered this 7th day of June, 2012.


Michael J. Griffin
District Judge

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the ORDER LIFTING STAY was delivered via facsimile this 8th day of June, 2012, to:

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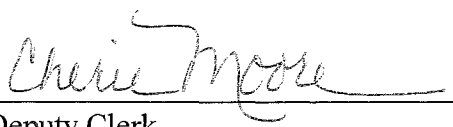
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Deputy Clerk

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ISB No. 1356

FILED
JUL 11 2011
CLERK OF DISTRICT COURT
SANDPOINT, IDAHO
JUL 11 2011

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a
national banking association

Plaintiff,

vs.

PEND OREILLE BONNER DEVELOPMENT,
LLC, a Nevada limited liability
company, JV L.L.C., an Idaho
limited liability company, DAN S.
JACOBSON, an individual, SAGE
HOLDINGS LLC, an Idaho limited
liability company, TIMBERLINE
INVESTMENTS, LLC, an Idaho
limited liability company, STEVEN
G. LAZAR, an individual, AMY
KORENGUT, an individual, HLT REAL
ESTATE LLC, PANHANDLE STATE BANK,
an Idaho corporation, R.E. LOANS,
LLC, a California limited
liability company, WELLS FARGO
FOOTHILL, INC., a Delaware
corporation, NORTH IDAHO RESORTS,
LLC, an Idaho limited liability
company, PEND OREILLE BONNER
DEVELOPMENT HOLDINGS, INC., a
Nevada corporation, PENSICO TRUST
CO. custodian f/b/a Barney Ng, a
California corporation, MORTGAGE
FUND '08 LLC, a California
limited liability company, B-K
LIGHTING, INC., a California
corporation, FREDERICK J. GRANT,

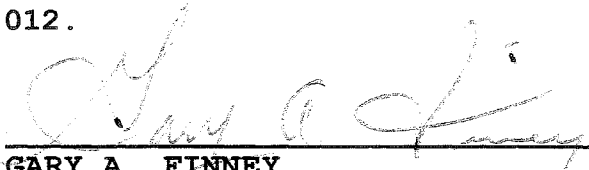
) Case No. CV-2011-00135

) JV'S DEMAND FOR JURY TRIAL

an individual, CHRISTINE GRANT,)
an individual, RUSS CAPITAL)
GROUP, LLC, an Arizona limited)
liability company, JOSEPH)
DUSSICH, an individual, MOUNTAIN)
WEST BANK, an Idaho corporation,)
STATE OF IDAHO, Department of)
Revenue and Taxation. MONTAHENO)
INVESTMENTS LLC, a Nevada limited)
liability company, TOYON)
INVESTMENTS LLC, a Nevada limited)
liability company, CHARLES W.)
REEVES and ANN B. REEVES, husband)
and wife, ACI NORTHWEST, INC., an)
Idaho corporation,)
)
)
Defendants.)
)

Comes now the Defendant, JV, LLC and demands a twelve (12)
member jury trial in this matter.

DATED this 11th day of June, 2012.



GARY A. FINNEY
Attorney for Defendant JV
L.L.C, an Idaho limited
liability company

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by deposit in First Class U.S. Mail, postage prepaid, this _____ day of June, 2012, and addressed as follows:

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(Attorney for Plaintiff)

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Bruce Anderson
ELSAESSER JARZABEK ANDERSON
ELLIOTT & MACDONALD, CHTD
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(Attorney for Dan S. Jacobson,
Sage Holding, LLC, and Steve G.
Lazor)

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Attorneys for Pend Oreille Bonner
Development, LLC; Pend Oreille
Bonner Development Holdings, Inc.;
Montaheno Investments, LLC; Toyon
Investments, LLC)

R. Wayne Sweeney
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Steven C. Wetzel
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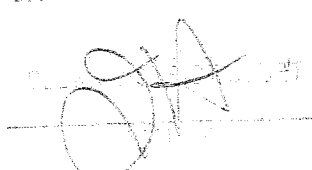
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(Attorney for R.E. LONAS, LLC)

The Honorable Michael Griffin
District Judge
320 W. Main Street
Grangeville, ID 83530
(Out of County Judge)



Steven C. Wetzel, ISB #2988
Susan P. Weeks, ISB# 4255
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FILED
JUL 27 15 A 0 04


Attorneys for Defendant NORTH IDAHO RESORTS, LLC.

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a national
banking association,

Plaintiff,

vs.

PEND OREILLE BONNER
DEVELOPMENT, LLC a Nevada limited
liability company, JV L.L.C., an Idaho
limited liability company, DAN
JACOBSON, an individual, SAGE
HOLDINGS LLC, an Idaho limited liability
company, TIMBERLINE
INVESTMENTS, LLC, an Idaho limited
liability company, STEVEN G. LAZAR, an
individual, AMY KORENGUT, an
individual, HLT REAL ESTATE LLC, an
Idaho limited liability company,
PANHANDLE STATE BANK, an Idaho
corporation, R.E. LOANS, LLC, a California
limited liability company, WELLS FARGO
CAPITAL FINANCE, LLC, a Delaware
limited liability company, NORTH IDAHO
RESORTS, LLC, an Idaho limited liability
company, PEND OREILLE BONNER
DEVELOPMENT HOLDINGS, INC., a
Nevada corporation, PENSICO TRUST CO.

Case No. CV-2011-0135

NORTH IDAHO RESORTS, LLC'S ANSWER
TO FIRST PACIFIC CAPITAL BANK, N.A.'S
AMENDED COMPLAINT, COUNTER CLAIM
AND CROSS CLAIM

Fees:

Appearance I(1)	Paid
Counterclaim	No Fee
Crossclaim K(4)	\$14

custodian f/b/a Barney Ng, a California corporation, MORTGAGE FUND '08 LLC, a California limited liability company, B-K LIGHTING, INC., a California corporation, FREDERICK J. GRANT, an individual, CHRISTINE GRANT, an individual, RUSS CAPITAL GROUP, LLC, an Arizona limited liability company, JOSEPH DUSSICH, an individual, MOUNTAIN WEST BANK, an Idaho corporation, STATE OF IDAHO, Department of Revenue and Taxation, MONTAHENO INVESTMENTS LLC, a Nevada limited liability company, TOYON INVESTMENTS LLC, a Nevada limited liability company, CHARLES W. REEVES and ANN B. REEVES, husband and wife, ACI NORTHWEST, INC., an Idaho corporation, DOES 1 through 20 inclusive,

Defendants.

And

NORTH IDAHO RESORTS, LLC, an Idaho limited liability company,

Defendant/Counter-Plaintiff,

vs.

PACIFIC CAPITAL BANK, N.A., a national banking association,

Plaintiff/Counter-Defendant.

And

NORTH IDAHO RESORTS, LLC, an Idaho limited liability company,

Crossclaimant,

vs.

PEND OREILLE BONNER DEVELOPMENT, LLC a Nevada limited liability company, JV L.L.C., an Idaho limited liability company, DAN JACOBSON, an individual, SAGE

HOLDINGS LLC, an Idaho limited liability company, TIMBERLINE INVESTMENTS, LLC, an Idaho limited liability company, STEVEN G. LAZAR, an individual, AMY KORENGUT, an individual, HLT REAL ESTATE LLC, an Idaho limited liability company, PANHANDLE STATE BANK, an Idaho corporation, R.E. LOANS, LLC, a California limited liability company, WELLS FARGO CAPITAL FINANCE, LLC, a Delaware limited liability company, PEND OREILLE BONNER DEVELOPMENT HOLDINGS, INC., a Nevada corporation, PENSCO TRUST CO. custodian f/b/a Barney Ng, a California corporation, MORTGAGE FUND '08 LLC, a California limited liability company, B-K LIGHTING, INC., a California corporation, FREDERICK J. GRANT, an individual, CHRISTINE GRANT, an individual, RUSS CAPITAL GROUP, LLC, an Arizona limited liability company, JOSEPH DUSSICH, an individual, MOUNTAIN WEST BANK, an Idaho corporation, STATE OF IDAHO, Department of Revenue and Taxation, MONTAHENO INVESTMENTS LLC, a Nevada limited liability company, TOYON INVESTMENTS LLC, a Nevada limited liability company, CHARLES W. REEVES and ANN B. REEVES, husband and wife, ACI NORTHWEST, INC., an Idaho corporation, and DOES 1 through 20 inclusive,

Crossclaim Defendants.

COMES NOW, Defendant, NORTH IDAHO RESORTS, LLC, an Idaho limited liability company, (hereinafter "NIR"), by and through their attorneys of record, JAMES, VERNON & WEEKS, PA, and in answer to Plaintiff's First Amended Complaint admits, denies, and alleges as follows:

ANSWER

All allegations contained in Plaintiff Pacific Capital Bank, N.A.'s (hereinafter "PACIFIC CAPITAL") First Amended Complaint which are not specifically admitted or denied herein are hereby categorically denied in their entirety.

1. NIR is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraphs 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 of Plaintiff's First Amended Complaint and therefore denies the same.

2. NIR admits the allegations contained in paragraph 13 of Plaintiff's First Amended Complaint.

3. NIR is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraphs 14, 15, 16, 17, 18, and 19 of Plaintiff's First Amended Complaint and therefore denies the same.

4. NIR admits the allegations contained in paragraph 20 of Plaintiff's First Amended Complaint.

5. NIR is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraphs 21 and 22 of Plaintiff's First Amended Complaint and therefore denies the same.

6. NIR admits the allegations contained in paragraph 23 of Plaintiff's First Amended Complaint.

7. NIR is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraphs 24, 25, 26, 27, 28, 29, 30, 31, and 32 of Plaintiff's First Amended Complaint and therefore denies the same.

8. In response to paragraph 33 of Plaintiff's First Amended Complaint, NIR affirms or denies each of the separate allegations of paragraphs 1-32 as previously affirmed or denied.

9. NIR is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraphs 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, and 47 of Plaintiff's First Amended Complaint and therefore denies the same.

10. NIR admits the allegations contained in paragraph 48 of Plaintiff's First Amended Complaint that an agreement exists. NIR specifically denies Pacific Capital holds priority which is senior to the vendor's lien of NIR described in the counterclaim.

11. NIR is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraphs 49, 50, 51, and 52 of Plaintiff's First Amended Complaint and therefore denies the same.

12. NIR admits the allegations contained in paragraph 53 of Plaintiff's First Amended Complaint.

13. NIR is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraphs 54, 55, 56, 57, and 58 of Plaintiff's First Amended Complaint and therefore denies the same.

AFFIRMATIVE DEFENSES

Having answered Plaintiff's First Amended Complaint in its entirety, NIR asserts the following affirmative defenses:

1. Plaintiff has failed to state a claim upon which relief can be granted.
2. Plaintiff has unclean hands which equitably prohibit foreclosure of NIR's lien.

COUNTER AND CROSS CLAIMS

COMES NOW Defendant NIR, by and through its attorneys of record, James, Vernon & Weeks, PA and by way of counter-claim complains and alleges as against the Plaintiff PACIFIC CAPITAL and other defendants as follows:

PARTIES

1. Defendant\Counter Plaintiff NIR is and has at all times relevant herein been an Idaho limited liability company in good standing doing business at Bonners Ferry, Idaho.
2. Upon information and belief, NIR alleges that Plaintiff\Counter Defendant PACIFIC CAPITAL is a national banking institution duly organized and existing under the laws of the United States of America, with a principal place of business located in Santa Barbara County, State of California, and is qualified to and does conduct business in the State of Idaho.
3. Defendant\Cross-Defendant PEND OREILLE BONNER DEVELOPMENT, LLC (hereinafter referred to as "POBD") is a Nevada limited liability company doing business in Idaho.
4. Defendant Cross\Defendant JV L.L.C. is an Idaho limited liability company and may claim an interest in the subject property.
5. Defendant Cross\Defendant DAN JACOBSON, is an individual and may claim an interest in the subject property.
6. Defendant Cross\Defendant SAGE HOLDINGS LLC, is an Idaho limited liability company and may claim an interest in the subject property.
7. Defendant Cross\Defendant TIMBERLINE INVESTMENTS, LLC, is an Idaho limited liability company and may claim an interest in the subject property.

8. Defendant Cross\Defendant STEVEN G. LAZAR, is an individual and may claim an interest in the subject property.

9. Defendant Cross\Defendant AMY KORENGUT is an individual and may claim an interest in the subject property.

10. Defendant Cross\Defendant HLT REAL ESTATE, LLC, is an Idaho limited liability company and may claim an interest in the subject property.

11. Defendant Cross\Defendant PANHANDLE STATE BANK is an Idaho corporation and may claim an interest in the subject property.

12. Defendant Cross\Defendant R.E. LOANS, LLC, is a California limited liability company and may claim an interest in the subject property. This defendant is only involved by way of the action of PACIFIC CAPITAL's action for priority.

13. Defendant Cross\Defendant WELLS FARGO CAPITAL FINANCE, LLC, is a Delaware limited liability company and may claim an interest in the subject property.

14. Defendant Cross\Defendant PEND OREILLE BONNER DEVELOPMENT HOLDINGS, INC. is a Nevada corporation and may claim an interest in the subject property.

15. Defendant Cross\Defendant PENSCO TRUST CO. custodian f/b/a Barney Ng, is a California corporation and may claim an interest in the subject property.

16. Defendant Cross\Defendant MORTGAGE FUND '08 LLC, is a California limited liability company and may claim an interest in the subject property. This defendant is only involved by way of the action of PACIFIC CAPITAL's action for priority.

17. Defendant Cross\Defendant B-K LIGHTING, INC. is a California corporation and may claim an interest in the subject property.

18. Defendant Cross\Defendant FREDERICK J. GRANT is an individual and may claim an interest in the subject property.
19. Defendant Cross\Defendant CHRISTINE GRANT is an individual and may claim an interest in the subject property.
20. Defendant Cross\Defendant RUSS CAPITAL GROUP, LLC is an Arizona limited liability company and may claim an interest in the subject property.
21. Defendant Cross\Defendant JOSEPH DUSSICH is an individual and may claim an interest in the subject property.
22. Defendant Cross\Defendant MOUNTAIN WEST BANK is an Idaho corporation and may claim an interest in the subject property.
23. Defendant Cross\Defendant STATE OF IDAHO, Department of Revenue and Taxation may claim an interest in the subject property.
24. Defendant Cross\Defendant MONTAHENO INVESTMENTS LLC is a Nevada limited liability company and may claim an interest in the subject property.
25. Defendant Cross\Defendant TOYON INVESTMENTS LLC is a Nevada limited liability company and may claim an interest in the subject property.
26. Defendant Cross\Defendant CHARLES W. REEVES and ANN B. REEVES, husband and wife, may claim an interest in the subject property.
27. Defendant Cross\Defendant AIC NORTHWEST, INC. is an Idaho corporation and may claim an interest in the subject property.
28. Defendant Cross/Defendants DOES 1 through 20 inclusive, named by Plaintiff PACIFIC CAPITAL may claim an interest in the subject property.

JURISDICTION AND VENUE

29. This Court has jurisdiction over the parties, as all have subjected themselves to the Court's jurisdiction, and the subject matter pursuant to Idaho Code §§ 1-705, 5-514(a), 5-514(c), 5-516, and other state law. Venue is proper pursuant to Idaho Code §§ 5-401(1) and 5-404.

FACTS

30. NIR and POBD entered into an agreement entitled Third Amended and Restated Real Property Purchase and Sale Agreement on March 9, 2006 (hereinafter referred to as the "NIR Sale Contract or "NIR Contract") under which NIR sold certain real property located in the County of Bonner, State of Idaho, which is more particularly described in the NIR Contract a copy of which is attached hereto as **Exhibit "CC-A"** and incorporated herein by this reference. Under the NIR contract, POBD continues to owe NIR in excess of \$15 million the exact amount will be proven at trial.

31. A Memorandum of Contract describing the NIR Sales Contract was duly recorded with the Bonner County Recorder on June 19, 2006 as Instrument No. 706475, a copy of which is attached hereto as **Exhibit "CC-B"** and incorporated herein by this reference.

32. Sandpoint Title Insurance, Incorporated, an Idaho corporation, a/k/a Sandpoint Title Insurance, Inc. (hereinafter "Sandpoint Title"), acted as an escrow agent for the NIR Contract and recorded the Memorandum of Contract.

33. Sandpoint Title acted as an escrow agent for a subsequent transaction in which POBD borrowed development funds from R.E. Loans, LLC.

34. As part of the development fund loan transaction between POBD and R.E. Loans, LLC, Sandpoint Title prepared two documents for execution by NIR:

34.1. Sandpoint Title prepared a “Partial Termination of Real Property and Sale Agreement” (referred to hereinafter as “Partial Termination Agreement”), a copy of which is attached hereto as **Exhibit “CC-C”** and incorporated herein by this reference. The Partial Termination Agreement was intended for NIR to release certain lots from the obligations of the NIR Contract specifically identified as: Lot 10A, Block 2; Lots 2A, 3A and 4A, Block 4; Lots 2A, Block 7; Lots 2A and 3A, Block 9; and Lot 1B of Block 10 of the replat of Golden Tee Estates and Golden Tee Estates 1st Addition, according to the plat thereof, recorded in Book 8 of Plats, page 77, Records of Bonner County, Idaho.

34.2 Sandpoint Title also prepared a Subordination Agreement, a copy of which is attached hereto as **Exhibit “CC-D”** and incorporated herein by this reference (hereinafter referred to as “Subordination Agreement”) for execution by NIR. The Subordination Agreement was intended to keep the obligations between POBD and NIR in the NIR Sale Contract in place, and to subordinate NIR’s interest in certain property in the NIR Sale Contract to R.E. Loans, LLC; however, POBD was to remain liable for all obligations contained in the NIR Contract. The Subordination Agreement only applied to R.E. Loans, LLC.

35. Sandpoint Title, prior to the recording of the Partial Termination Agreement but subsequent to the execution of the Partial Termination Agreement by NIR, erroneously attached a second and partially redundant legal description from the Subordination Agreement to the Partial Termination Agreement. This erroneous action arguably and improperly released all of NIR’s rights to all of the real estate encumbered under the NIR Sales Contract.

36. NIR did not know that the wrong legal description was attached to the Partial Termination Agreement and NIR never intended to terminate NIR’s interest in all of the real

property described on the erroneous exhibits which Sandpoint Title attached to the Partial Termination Agreement

37. The error in the legal description attached to the Partial Termination Agreement was discovered some two years later by Sandpoint Title, at which date Sandpoint Title amended the legal description to the Partial Termination Agreement and re-recorded the document as Instrument No. 768269 in the Records of Bonner County, Idaho, on March 11, 2009, a copy of which amended Partial Termination Agreement is attached hereto as **Exhibit "CC-E"** and incorporated by this reference.

38. NIR was informed, on or about July 20, 2009, by a subsequent lender to POBD that NIR did not have a correct recorded interest in the property described on the exhibits attached to the Subordination Agreement for a period of time from March 14, 2007 until March 11, 2009.

39. During the time that the improper legal description on the Termination Agreement was in effect, POBD obtained additional loans from PACIFIC CAPITAL and other lenders and pledged a security interest in the same real property subject of the NIR Contract.

COUNT 1

Reformation Of Partial Termination Agreement Recorded On March 15, 2007

40. NIR re-alleges and incorporates the foregoing allegations as though fully set forth herein.

41. The real property description contained in the Partial Termination Agreement set forth herein as Exhibit "CC-C" was in error and a product of a mutual mistake and/or scrivener's error in that PACIFIC CAPITAL and its agents and other Defendants and their agents knew or

should have known that the real property description in the Partial Termination Agreement was in error.

42. The Partial Termination Agreement recorded on March 15, 2007 as Instrument No. 724831 which is attached hereto as Exhibit "CC-C" should be reformed to substitute the legal description recorded on March 11, 2009 as Instrument No. 768269 and attached to hereto as Exhibit "CC-E."

43. Further, this reformation should affect all parties to this litigation and shall be judicially deemed effective as of March 15, 2007.

COUNT 2

NIR's Vendors Lien Against The Subject Property Is Superior To Any Interest Of PACIFIC CAPITAL

44. NIR re-alleges and incorporates the foregoing allegations as though fully set forth herein.

45. POBD purchased the subject property under a real estate contract in which NIR was the vendor. POBD was required under the NIR Sales Contract to make certain payment to NIR within certain times upon certain events as set forth in the NIR Contract.

46. POBD pledged a security interest in the same real property described in the NIR Sales Contract to PACIFIC CAPITAL, as shown in Exhibit "A" to the Complaint in this case identified as Case No. CV- 2011-0135 of the First Judicial District of the State of Idaho in and for the County of Bonner (hereinafter referred to as "Subject Property.:

47. PACIFIC CAPITAL and/or its agents knew or should have known that NIR had not yet been fully paid for the property that POBD pledged; that an error occurred in the legal description of the Partial Termination Agreement; and that POBD remained liable to NIR for performance under the NIR Contract

48. POBD failed to pay NIR as required in the NIR Sales Contract and still owes sums under the NIR Sales Contract. POBD has allowed PACIFIC CAPITAL to take a default on POBD in the present case further endangering NIR's vendor's interest and equity in the Subject Property.

49. NIR provided notice to POBD that POBD was in default under the NIR Contract.

50. NIR retains a vendor's interest in the real property and has a right to an equitable remedy including terminating the land sales contract and recovery of possession of the property or foreclosure of the property and recovery of the proceeds from the sale of the property. NIR is under no obligation to give notice or opportunity to cure to POBD, in that such notice and opportunity to cure would be futile given the fact that POBD has allowed PACIFIC CAPITAL to foreclose POBD's interest in the Subject Property.

51. NIR was not in default in performance under the contract with POBD at any relevant time.

COUNT 3

The Loan Agreement Between POBD And PACIFIC CAPITAL Was Based Upon Mutual Mistake Of Fact And Is Therefore Subject To And Inferior To NIR's Vendor's Lien

52. NIR re-alleges and incorporates the foregoing allegations as though fully set forth herein.

53. The loan documents between POBD and PACIFIC CAPITAL were based upon a misrepresentation of unencumbered real property described improperly in a Partial Termination Agreement recorded by Sandpoint title between POBD and NIR. POBD and/or agents of POBD knew or should have known that the real property description in the loan documents were incorrect.

COUNT 4

**In The Alternative The Loan Agreement Between
POBD And PACIFIC CAPITAL Was Based On Fraud
And Is Therefore Subject To And Inferior To NIR's Vendor's Lien**

54. NIR re-alleges and incorporates the foregoing allegations as though fully set forth herein.

55. If the loan agreement between POBD and PACIFIC CAPITAL was based upon fraudulent omission since POBD knew that the real property encumbered the NIR Agreement regardless of the improperly recorded Partial Termination Agreement legal description.

56. Or, if both POBD and PACIFIC CAPITAL or their agents knew of the erroneous legal description but attempted to gain a priority superior to the obvious error then POBD and PACIFIC CAPITAL conspired to defraud NRI.

57. Under either scenario, the actions of POBD and PACIFIC CAPITAL appear to have been an attempt to defraud a senior creditor.

COUNT 5

**NIR's Vendors Lien Is Superior To Each And Every
Defendant/Cross Defendant's Priority**

58. NIR re-alleges and incorporates the foregoing allegations as though fully set forth herein.

59. POBD was contractually obligated under the NIR Contract to take certain actions to make certain payment to NIR within certain times upon certain events as set forth in the NIR Contract.

60. POBD pledged a security interest in the same real property described in the NIR Contract with or assigned to each and every Defendant Cross/Defendant named herein and

identified as parties who have or may claim an interest in the real property identified in Exhibit "A" to the Complaint in this case identified as Case No. CV-2011-0135

61. Each and every Defendant Cross/Defendant and/or their respective agent knew or should have known that NIR had not yet been fully paid for the property that POBD pledged and that POBD remained liable to NIR for performance under the NIR Contract, or if they did not know, their security was based upon fraudulent omissions by POBD.

62. POBD failed to pay NIR as required in the NIR Sales Contract.

63. NIR provided notice to POBD that POBD was in default under the NIR Contract.

64. NIR retains a vendor's interest in the real property and has a right to an equitable remedy including terminating the land sales contract and recovery of possession of the property or foreclosure of the property and recovery of the proceeds from the sale of the property.

65. NIR was not in default in performance under the contract with POBD at any relevant time.

COUNT 6

Breach Of Contract By POBD Against NIR

66. NIR re-alleges and incorporates the foregoing allegations as though fully set forth herein.

67. POBD and NIR entered into the NIR Sales Contract which governed the parties' rights and obligations with respect to certain property and payments therefore.

68. NIR has performed all of its obligations in all material respects under the NIR Sales Contract, except as may have been excused, prevented, or frustrated by POBD's acts or breaches.

69. POBD's violations are not curable.

70. As a direct consequence of POBD's breaches of the NIR Sales Contract, NIR has suffered and will continue to suffer substantial damages in an amount to be determined at trial.

COUNT 7

Foreclosure Of Vendor's Lien By NIR Against POBD and junior lien holders

71. NIR re-alleges and incorporates the foregoing allegations as though fully set forth herein.

72. Idaho Code § 45-801 provides that, "One who sells real property, has a vendopr's lien thereon, independent of possession, for so much of the price as remains unpaid and unsecured otherwise than by the personal obligation of the buyer."

73. Idaho Code § 45-803 provides that "The liens of vendors and purchasers of real property are valid against every one claiming under the debtor, except a purchaser or encumbrancer in good faith and for value."

74. Any encumbrancer loaning money to POBD knew or should have known of the vendors interest of NIR, in that the partial termination that terminated the entirety of a vendors interest was an obvious error. Further any partial termination of which includes the partially terminated property twice in the same legal description was an obvious error.

75. The law of Idaho as set forth in *Quintana v. Anthony* 109 Idaho 977, 712 P2nd 678 (1985) allows this court in equity to determine scope of the vendor's lien and how it will be enforced when the statue recognizing the vendors lien makes no explicit provision for its enforcement. The same case encourages this court, when enforcing a vendor's lien, be guided by the legislative policy underlying mortgage foreclosure statute Idaho Code 6-101. As a result of the defaults discussed above, NIR is entitled to foreclose on the property, have this court sell the

property at sheriffs sale in accordance with the law of the state of Idaho for foreclosure of a mortgage and to allow NIR to bid any judgment credit as awarded by this court at such sale.

76. No other action at law or equity has been commenced or is pending to collect on NIR's lien or any portion of it, or to foreclose the lien.

77. NIR has not determined the fair market value of the property encumbered by its vendor's lien at this time, or what its reasonable value will be at the time of entry of judgment. NIR therefore reserves the right to present evidence at trial for the reasonable value of the property and to apply to the Court for the entry of a deficiency judgment against POBD.

78. NIR reserves the right to name additional parties claiming any interest in the property.

WHEREFORE, NIR prays for judgment against each and every Defendant as follows:

As to Count 1: Reformation of Partial Termination Agreement Recorded on March 15, 2007:

1. For reformation of the legal description attached to the Partial Termination Agreement recorded on March 15, 2007 to the legal description attached to the corrected Partial Termination Agreement recorded on March 11, 2009.
2. For such other relief as the Court may consider appropriate.

As to Count 2: NIR's Vendors Lien Against the Subject Property Is Superior To Any Interest Of PACIFIC CAPTIAL:

- 1 For decree acknowledging the existence of NIR's vendor's lien on the subject property in accordance with Idaho Code 45-801 and 45-803.

- 2 For decree that NIR's vendor's lien is in the amount of the unpaid unsecured purchase price owed by POBD for the subject property and for other property sold to POBD.
- 3 For decree that PACIFIC CAPITAL's recorded mortgage is inferior to the NIR vendor's lien.
- 4 For the costs of the proceeding and reasonable attorney's fees as allowed by Idaho law.
- 5 For such other relief as the Court may consider appropriate.

As to Count 3: The Loan Agreement Between POBD and PACIFIC CAPITAL Was Based Upon Mutual Mistake of Fact And Is therefore Subject To and Inferior to NIR's Vendor's Lien:

1. For decree that the loan documents between POBD and PACIFIC CAPITAL are subject to and inferior to the interest of NIR in the subject property as if the Partial Termination Agreement recorded with the incorrect legal description had been recorded with the correct legal description as evidence by the rerecorded partial termination recorded in 2009.
2. For a decree on that NIR shall receive payments in full of the purchase price as set forth in the NIR Contract before any payment on POBD and PACIFIC CAPITAL loan documents.
3. For decree that PACITIC CAPITAL's recorded mortgage is inferior to the NIR Sales Contract.
4. For the costs of the proceeding and reasonable attorney's fees as allowed under Idaho law.

5. For such other relief as the Court may consider appropriate.

As to Count 4 In The Alternative to Count 3. The Loan Agreement Between POBD And PACIFIC CAPITAL Was Based On Fraud And Is Therefore Subject to and Inferior To NIR's Vendor's Lien:

1. For decree that loan documents between POBD and PACIFIC CAPITAL are void in their relationship to NIR, in the event that the loan relationship was an attempt to defraud a creditor, NIR, from its right to the subject property.
2. For possession of the property which is the subject of the NIR Sales Contract between NIR and POBD or for foreclosure of the property and possession of the proceeds from the sale of the property.
3. For an award of damages in an amount to be proven at trial in the event the actions of POBD and PACIFIC CAPITAL are shown to be a conspiracy to defraud a creditor.
4. For declaration that PACIFIC CAPITAL's recorded mortgage is inferior to the NIR Sales Contract and that the interests of all the other Defendants are also inferior to the NIC Sales Contract.
5. For the costs of the proceeding and reasonable attorney's fees as are allowed under Idaho Law.
6. For such other relief as the Court may consider appropriate.

As to Count 5: NIR's Vendors Lien Is Superior to Each and Every Defendant/Cross Defendant's Priority:

1. For decree that the NIR Sales Contract between NIR and POBD is in a superior possession to any other claim to the subject property by any party.

2. For decree that any rights to the property claimed by each and every Defendant Cross/Defendant as against NIR subject to and inferior to the claims of NIR.
3. For declaration that the interests of all the other Defendant Cross/Defendants are inferior to the NIC Sales Contract.
4. For such other relief as the Court may consider appropriate.

As to Count 6: Breach of Contract by POBD Against NIR:

1. For judgment against POBD and in favor of NIR for all amounts due under the Sales Agreement, such amounts to be proven at trial according to proof.
2. For an award of pre- and post-judgment interest.
3. For the costs of the proceeding and reasonable attorney's fees as are allowed under Idaho Law.
4. For such other relief as the Court may consider appropriate.

As to Count 7: Foreclosure of Vendor's Lien by NIR Against POBD:


1. For an order entering a decree of foreclosure, for the sale of the subject property in accordance with Idaho law and the custom and procedures of the Sheriff of Bonner County, Idaho for such sale of a mortgage foreclosure sale. Further that NIR should be allowed to bid as a judgment creditor any portion of a judgment awarded in this case.
2. For an order adjudging that the proceeds of the foreclosure sale be applied in payment of the amount due NIR under the NIR Sales Contract and that all persons claiming an interest under or subsequent to the execution of NIR's lien, either as a purchaser, encumbrance or otherwise, be barred and

foreclosed of all right, claim, equity, or redemption in such property or any part thereof.

3. For an order directing the Sheriff conducting the foreclosure sale to execute a deed to the purchaser and that the purchaser be granted possession of the property upon production of the Sheriff's or commissioner's deed, subject only to any statutory redemption rights that might exist.
4. For the costs of the proceeding and reasonable attorney's fees as are allowed under Idaho Law.
5. For an award of pre- and post-judgment interest.
6. For such other relief as the Court may consider appropriate.

DATED this 15 day of June, 2012

JAMES, VERNON & WEEKS, PA

By: 
Susan P. Weeks
Attorneys for Defendant NORTH IDAHO
RESORTS, LLC.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following persons in the manner indicated this 14th day of June, 2012.

☒ U.S. Mail, Postage Prepaid
☐ Hand Delivered
☐ Overnight Mail
☐ Facsimile: 208-665-9176
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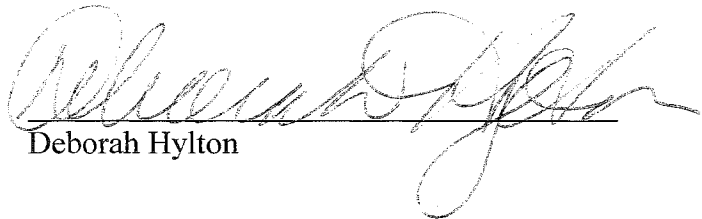
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Holdings, LLC; Steven G. Lazar*


Deborah Hylton

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Exhibit

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THIRD AMENDED AND RESTATED
REAL PROPERTY PURCHASE AND SALE AGREEMENT

This Third Amended and Restated Real Property Purchase and Sale Agreement ("this Agreement"), the original predecessor of which was entered into on January 6, 2005, between MDG Nevada, Inc., a Nevada corporation, ("MDG") and North Idaho Resorts, LLC, and which was subsequently assigned to MDG's affiliate Pend Oreille Bonner Investments, LLC, a Nevada limited liability company, (referred to as "PBI" or "Buyer") on August 10, 2005, is entered into and made effective as of March 9, 2006 (the "Agreement Date") by and between PBI or such affiliate of PBI as PBI shall designate (in either case "Buyer") and NORTH IDAHO RESORTS, LLC, an Idaho limited liability company ("Seller").

RECITALS

- A. Seller owns developed and undeveloped real property (collectively the "Land") located in County of Bonner (the "County"), State of Idaho. The Land is described in Exhibit A hereto. The Land consists of multiple parcels and is subject to different uses and the Land and the property which Seller is selling to Buyer pursuant to this Agreement shall include, without limitation, the following:

- the existing golf course commonly known as "Hidden Lakes Golf Course", including the existing clubhouse and related amenities and facilities as well as the personal property used in connection therewith;

- the portion of the Land located north of Highway 200 subject to Seller's current development plan including, without limitation, the seven acre parcel, the ten acre parcel and the twelve acre parcel, the Cedar Cabins site, the Cottonwood condominium site, existing structures already

Exhibit

CC-A

constructed but not sold, and all unsold lots;

- all the property owned by Seller south of Highway 200 commonly called "Moose Mountain";
- the two lakefront parcels;
- existing intellectual property rights in connection with the foregoing such as, for example, the name of the golf course and other trade and marketing names used in connection with the Property;
- all personal property used in connection with the Land and improvements on the Land, including, without limitation, furnishings, fixtures, equipment, vehicles, golf carts, supplies, accounts receivable, pro shop merchandise, claims and all other tangible and intangible property of Seller (including, without limitation, Seller's permit to sell alcoholic beverages) used in connection with the management, maintenance and operation of the Land and improvements on the Land, etc.;
- all Seller's right, title and interest in and to all entitlements, easements, rights of way, rights of entry, rights of use and other appurtenances benefiting the Land and the improvements thereon;

As used herein, the term "Property" shall include: the Land; any improvements on or appurtenant to the Land; the items owned by Seller enumerated above; and all right, title and interest of Seller in and to all entitlements, easements, mineral rights, oil and gas rights, water, water rights (excluding domestic water rights which are retained by sewer and water company V.P. Inc. including easements for operation and delivery of said domestic water and sewer service including sewer lagoon and land application; Buyer may move lagoon and may alter land application sites, but must provide approved alternate application site and build adequate new lagoon all to DEQ's approval) air rights, development rights, licenses, permits, maps and privileges appurtenant to the Land and/or to any improvements on the Land. Seller's current development plan is described

Schematically on Exhibit B-1 hereto and shows the locations of the components of the Property itemized above. The physical elements which constitute, and the development, marketing and disposition of the Property by Buyer, is hereinafter called the "Project".

B. As used in this Agreement the term "Developer Group" shall mean and include each and any combination of the following: (i) Chip L. Bowlby, (ii) Thomas J. Merschel, (ii) Charles W. Reeves, and/or (iv) and their respective membership or shareholder interests in any entity wholly owned or jointly and severally owned by any one or any combination of said three individuals and their respective spouses. As used in this Agreement the term "Developer Group Interest" shall mean the ownership interest of any member of the Developer Group in Buyer and/or in any project entity which Buyer may hereafter form for purposes of owning and managing the Project.

C. Seller wishes to sell the Property to Buyer, and Buyer wishes to purchase the Property from Seller, all pursuant to the provisions of this Agreement.

AGREEMENTS

NOW, THEREFORE, for good and valuable consideration, including the mutual covenants contained in this Agreement, receipt of which the parties hereby acknowledge, Buyer and Seller agree as follows:

1. Purchase and Sale. Seller shall sell the Property to Buyer, and Buyer shall purchase the Property from Seller, subject and pursuant to all the provisions of this Agreement.

2. Purchase Price.

(a) Purchase Price. The purchase price (the "Purchase Price") for the Property shall be the sum of (i) a down payment (the "Down Payment") of Four Million Seven Hundred Fifty Thousand Dollars (\$4,750,000), which Buyer shall deposit in Escrow in immediately available funds prior to close of Escrow for delivery to Seller at Closing (as the terms "Escrow" and "Closing" are hereinafter defined) plus (ii) accepting title to the Property subject

to the deeds of trust which secure the payment of two promissory notes, for which, upon transfer of title to the Property to Buyer, Buyer shall assume payment responsibility. One of said two promissory notes is payable to Mr. Berry (the "Berry Note") and the other is payable to R.E. Loans LLC, a California limited liability company (the "REL Note"). The Berry Note is originally dated October 24, 1995 and in the revised principal amount of \$2,565,000, and has been previously modified by the original maker and Mr. Berry; a copy of the Berry Note is attached hereto as Exhibit G. The REL Note is originally dated March 17, 2005 and in the original principal amount of \$8,515,000; provided, however, that if Seller reduces the principal amount of the REL note prior to closing, Buyer, at its sole discretions, shall either execute a promissory note at closing to Seller for the exact amount of such principal reduction, which note shall be subordinate to financing Buyer main obtain and which shall otherwise be repaid to Seller under the same terms and conditions of the REL note and at the same interest rate, or pay in cash to Seller at closing the amount of such principal reduction made by Seller; a copy of the REL Note is attached hereto as Exhibit H. The above items included in (i) and (ii) are collectively referred to as the Down Payment. In addition to the Down Payment, the Purchase Price shall also include (i) the sum of \$441,000 to be paid as additional Participation after the Seller has received \$22 million in proceeds from the Down Payment and Participation; and (ii) a participation (the "Participation") in gross sales revenue which Buyer receives from the Project equal to twenty percent (20%) of the gross sales revenue in excess of Eighty Million Dollars (\$80,000,000) (the "Base Revenue Goal") which Buyer receives as the proceeds of sales of Project land (including sales of lots and parcels), sales of dock slips, and sales of golf course memberships in Project golf courses, whether such sales are to an entity affiliated with Buyer or to an unaffiliated third party; provided, however, that the 49 platted lots currently owned by third parties, of which seven of these 49 lots have been purchased prior to closing by Buyer or any affiliated entity or individuals set forth in Recital B above, all as finally configured in Buyer's land plan, shall not be included as lots or parcels in the calculation of the Participation, nor shall the 6 lots numbered 5, 6, 8, 9, 10, and 14 as labeled on the Hidden Lakes sales brochure attached hereto as Exhibit I, all of which are located west

of Lower Pack River Road, purchased prior to closing by Buyer or an affiliated entity or group of Buyer or the individuals set forth in Recital B above, be included in the calculation of the Participation. If Buyer produces finished residential units for sale, Buyer shall designate a dollar value to each of the lots underlying each release of such units, and Buyer shall notify Seller in writing of the designated dollar values, before Buyer offers the finished residential units for sale to any unaffiliated third party. Only the amount of the designated lot value shall be included in gross sales revenue for purposes of calculating the Base Revenue Goal and the Participation. If Seller disagrees with any such designated lot value, Seller may cause the residual value of the lot without any unit on it to be appraised by a mutually acceptable qualified appraiser, and the appraised value shall be used instead of the value designated by Buyer. Subject to any applicable restrictions and conditions on payment of the Participation imposed by Buyer's lender(s) who provide Buyer with financing for the Project, Buyer shall pay the Participation to Seller on an on-going basis out of the sale escrow for each lot and parcel which Buyer sells; accordingly Buyer shall instruct the escrow agent, for all such sales which first occur after gross sales exceed the Base Revenue Goal, to distribute to Seller twenty percent (20%) of the gross sales price for each such sale after achievement of the Base Revenue Goal upon close of the escrow for such sale. If, however, Buyer finances any such sale which closes after achievement of the Base Revenue Goal, the obligation of Buyer to pay the Participation on such a Buyer-financed sale shall be contingent upon the availability of cash proceeds of sale in the escrow sufficient to pay, first, all other costs of closing, and then the Participation; to the extent the cash proceeds do not suffice to pay the entire Participation due on the sale, the proceeds Buyer receives from payments on the purchaser's promissory note to Buyer shall be paid to Seller until Seller has received the full amount of the Participation due on the sale.

(b) Example of Participation. To illustrate calculation of the Participation, if the gross sales revenue which Buyer receives from the Project were to equal One Hundred Eighty Million Dollars (\$180,000,000), as the parties presently anticipate, then the Participation payable to Seller would be Twenty Million Dollars (\$20,000,000). For $\$180,000,000 - \$80,000,000 =$

\$100,000,000, and 20% of \$100,000,000 = \$20,000,000.

(c) Early Payment of the Participation. Seller shall be entitled to receive fifty percent (50%) of the first Twelve Million Dollars (\$12,000,000) of profit earned by Buyer after the date of Close of Escrow which Buyer (subject to any applicable restrictions and conditions on distributions imposed by Buyer's lender(s) who provide Buyer with financing for the Project) from time to time designates for actual distribution to any member of the Developer Group on account of any such member's Developer Group Interest. Buyer shall pay Seller's share of any such profit so designated for actual distribution to Seller concurrently with the payment of the distribution to the holder of the Developer Group Interest. Seller shall not be entitled to receive more than Six Million Dollars (\$6,000,000) pursuant to this Section 2(c), and all payments to Seller pursuant to this Section 2(c) shall apply to and be credited as payments on account of the Participations next coming due to Seller under Section 2(a) above. Seller acknowledges that development and/or management fees paid to any affiliate of Buyer and/or the Developer Group for services in connection with the development of the Project shall be recorded as Project expenses, shall not exceed industry standards, and shall not be deemed to be profits distributed to Buyer and/or any member of the Developer Group. The provisions of this Section 2(c) shall cease to operate and apply at such time as the sum of (i) the Down Payment (with any deductions for early closing excluded from the calculation of down payment) and (ii) payments to Seller on account of the Participation equal Twenty-Two Million Dollars (\$22,000,000).

(d) Protection of Participation. In order to protect Seller's anticipated profit referred to herein as the Participation, Seller shall be afforded the following rights:

(i) If Buyer elects to enter into a sale (a "Bulk Sale") of fifty percent (50%) or more of the assets included in the Property, such percentage to be determined by value not land area, Seller shall have the right to acquire the portion of the Project subject to the Bulk Sale on the same terms and conditions as the Bulk Sale purchaser. Buyer shall give written notice of the terms and conditions of any such proposed Bulk Sale to Seller and

shall offer Seller the right to enter into the Bulk Sale on such terms and conditions. Seller shall have thirty (30) business days to notify Buyer whether Seller accepts or refuses Buyer's offer. If Seller fails to notify Buyer in writing prior to the expiration of said thirty (30) day period that Seller accepts such offer, and to accompany such written notice with any earnest money deposit which the terms and conditions of the Bulk Sale require, Seller's right to enter into the Bulk Sale shall lapse and be of no further force or effect. If the Bulk Sale shall then fail to close, Seller's right of first refusal to future Bulk Sales shall continue.

(ii) If Buyer closes a Bulk Sale to a third party purchaser of assets included in the Property, Buyer having complied with the provisions of Subsection (i) above, Buyer shall have the right either (A) to pay Seller Thirty-Four Million Dollars (\$34,000,000) in proportion to the value of the assets which are part of the Property included in the Bulk Sale based on the projected gross revenue which the Business Plan allocates to such assets in full satisfaction of the Participation otherwise payable for the assets included in the Bulk Sale, whereupon Seller's rights to any additional Participation hereunder as to said assets shall cease and thereby terminate any further obligation or (B) to obtain the agreement of the Bulk Sale purchaser in favor of Seller, which shall be memorialized in a recorded memorandum acceptable in form to Seller, Buyer and the purchaser, to pay the Participation to Seller with respect to the portion of the Project covered by the Bulk Sale if the Bulk Sale is for any amount less than \$180,000,000. As an example if Buyer closes a Bulk Sale for \$120,000,000, the difference is \$60,000,000 and Seller shall have the right to the Participation in gross sales revenue from sales of the portion of the Project covered by the Bulk Sale equal to 6.66%. This percentage is obtained by dividing the difference of \$60,000,000 by \$180,000,000 the resulting percentage of which is multiplied by participation percentage ($\$60,000,000 / \$180,000,000 = 33.33\% \times 20\% = 6.66\%$).

(iii) If Buyer shall sell unplatted lots or parcels

(Acreage Sales) then Seller shall be entitled to payment of release amounts on a per acre basis, which shall apply on account of and shall reduce pro tanto Buyer's obligation to pay the Participation hereunder. The per acre release price

for sales on Moose Mountain shall be \$25,000 per acre, with one acre of greater than 35% slope land be released for each acre of less than 35% released, for sales on Idaho Country Resorts \$250,000 per acre, and for land north of Highway 200 \$100,000 per acre excluding the Hidden Lakes Golf course. The release price for the Hidden Lakes Golf course shall be \$8,000,000.

(iv) Recordation of Memorandum: At or before Close of Escrow the parties shall execute in recordable form, and deposit in Escrow for recordation at Close of Escrow, a memorandum of the Participation which shall be substantially in the form of Exhibit F hereto.

(e) Deposit. Provided Buyer has delivered the Acceptance Notice to Seller on or before February 10, 2005 (subject to the extension of said deadline in connection with the review of title as provided below), Buyer shall deposit in Escrow in immediately available funds, Two Hundred Fifty Thousand Dollars (\$250,000) (the "Deposit") on February 10, 2005. Said amount shall be released as provided for in paragraph 6(d) of this Agreement.

3. Escrow.

(a) General. Within five (5) business days after both Buyer and Seller have executed this Agreement in at least three counterparts, Buyer shall open an escrow account (the "Escrow") in the office of Sandpoint Title Insurance Inc. ("Sandpoint") located at the following address:

120 S. 2nd Avenue
Sandpoint, Idaho 83864

Telephone No. 208-263-2222
Facsimile No. 208-265-4040
Email Address julina@sandpoint.com

Escrow Officer Julina Skinner
Title Officer Larry Morrison

Buyer shall deposit one fully executed counterpart of this

Agreement with Sandpoint, arrange for Sandpoint to execute counterpart joinders, and deliver one counterpart joinder fully executed by Sandpoint to Seller. Buyer shall also obtain the number of the Escrow and notify Seller in writing of the number of the Escrow. Buyer and Seller each agree and intend that Sandpoint shall serve as both administrator of the Escrow and as issuer of title insurance to Buyer.

(b) Reinsurance. Buyer and/or Buyer's lender shall have the reasonable right to require the title insurance to be issued by Sandpoint to be reinsured by one or more additional title insurers reasonably acceptable to Buyer and/or Buyer's lender with principal amounts of reinsurance coverage acceptable to Buyer and/or Buyer's lender.

4. Sales of Adjacent Properties. As used in this Agreement the term "DRP" (for Development Related Property) shall mean a property which is not part of the Property and which is a property (a) record title to which vests in Buyer not later than three years from the date of this agreement, (b) the purchase of which by Buyer was arranged or assisted by Seller, and (c) which is either (i) contiguous to the Property and becomes part of the overall Project, or (ii) a property onto which Buyer transfers units or lots which the initially approved Business Plan contemplated would be developed on the Property. If Buyer acquires record title to a DRP, Buyer shall pay Seller an amount equal to twenty percent (20%) of the net pre-tax profit of Developer Group from each such property. Pre-tax profit shall mean the net pre-tax profit arising from the sale of the DRP which is allocated to any member of the Developer Group on account of such member's interest in the entity which effected the sale. Pre-tax profit shall mean, for purposes of this Section, the profit remaining after payment of all debt service and financing costs, hard and soft acquisition and development costs including any reasonable allocations of community development costs to such property, development and/or management fees paid to any affiliate of Buyer for services in connection with the development of the Project, and costs of administration, marketing and sales. All indirect costs incurred in determining pretax profit shall be consistent with industry standards.

5. Review Period.

(a) Definition. As used herein, the term with which to make the payment "Review Period" shall mean the time period which commences on the Agreement Date and ends at midnight Pacific Time on February 10, 2005 (the "Review Period Expiration Date"). Notwithstanding the foregoing, Seller acknowledges that the information Buyer requires to review title to the Property was delivered to Buyer too few days before February 10, 2005 to allow Buyer a reasonable time to review title. Accordingly Seller hereby agrees that Buyer shall have until February 28, 2005 (the "Extended Title Review Date" in which to complete Buyer's review of title as to those items enumerated on Schedule A. If Buyer shall not affirmatively approve title by written notice delivered to Seller on or before the Extended Title Review Date, Seller, upon written demand from Buyer, shall return the Deposit to Buyer if Buyer has delivered the Deposit to Escrow. The above notwithstanding, Buyer accepts the exceptions noted in the preliminary title report subject to the removal of all statutory and monetary liens pursuant to paragraph 5(b)(vi) below, and the removal of title exceptions numbered 20 and 67 relating to the right of way held by Idaho Department of Transportation.

(b) Due Diligence Activities.

(i) In General. Buyer shall undertake during the Review Period, at Buyer's sole cost and expense, such inspections, testings, analyses and feasibility studies concerning the Property as Buyer shall deem useful or advisable (including, without limitation, geologic, seismic, soils, engineering, topographical, drainage, archaeological, environmental, biological, land planning, financing and marketing investigations), all of which are collectively called "Investigations" herein. In connection with the Investigations, Buyer, at Buyer's sole cost and expense, may retain engineers, contractors, soils and geological consultants, architects, natural scientists, environmental auditors, economists, accountants, attorneys, planners and all such other advisors as Buyer deems useful or advisable, all of whom are collectively called "Buyer's Advisors" herein. In the course of the Investigations and Buyer's other activities in connection with the Project during the Review Period, and at all times after the Review Period Expiration Date while this Agreement is in effect and Close of Escrow has not occurred, Buyer shall prevent any lien being placed on the Property on account of any action of Buyer or any of Buyer's Advisers, and should any

such lien be placed on the Property notwithstanding Buyer's best efforts to prevent such an occurrence, Buyer shall immediately cause any such lien to be removed.

(ii) Environmental Audit. During the Review Period Buyer shall have the right, in particular, to cause an environmental audit of the Property to be conducted, at Buyer's sole cost and expense, by an Advisor designated by Buyer.

(iii) Physical Inspections.

A. Insurance. As a condition precedent to any entry onto the Property by Buyer or any of Buyer's Advisors pursuant to this Agreement, Buyer shall have delivered to Seller evidence (in the form of a copy of the relevant insurance policy or of a certificate thereof which describes the policy limits and shows Seller as an additional named insured party) that any property damage or personal injury or death resulting from said entry is insured against under a comprehensive general public liability insurance policy in favor of Buyer, which policy shall (I) have a combined as well as single occurrence limit of One Million Dollars (\$1,000,000), (II) name Seller as an additional insured party, and (III) be issued by an insurance company licensed to do business in the State of Idaho.

B. Entry. At any time and from time to time during the Review Period (and for the remainder of the term of this Agreement if Buyer shall have issued the Acceptance Notice as said term "Acceptance Notice" is defined below), Buyer and any of Buyer's Advisors, upon at least two (2) business day's prior written notice to Seller, may enter upon and conduct physical inspections and tests upon and to the Property. Said activities may include, without limitation, taking samples of air, water, soils and other materials from the Property, installing and maintaining monitoring devices, drilling test holes and digging test trenches, conducting seismic investigations, surveying, and performing engineering studies. If Buyer or Buyer's Advisors bore holes or dig trenches, the same shall be refilled and leveled upon completion of the testing.

C. Hold Harmless. Buyer shall indemnify and hold Seller harmless from any liens imposed against the Property on account of Investigations and from

all claims, demands, liabilities and costs, including reasonable legal fees, arising out of any damage to the Property or out of injury to or death of any person as a direct result of Buyer's Investigations on the Property prior to close of Escrow. Buyer shall have no obligation, however, to indemnify or hold Seller harmless on account of damages, personal injuries or loss of life resulting from the intentional or negligent acts or omissions of Seller. Buyer shall have no obligation to remedy or compensate Seller for any conditions or defects on or under the Property not caused by Buyer but discovered by Buyer in the course of the Investigations.

(iv) Documents.

A. Delivery to Buyer. As used in this Agreement the term "Seller's Documents" shall mean any and all documents in the possession or custody of Seller, or reasonably available to Seller, which pertain to the Property, to its current use, or to its use for a resort and residential subdivision, including, without limitation, contracts, maps, plans, blueprints, photographs, studies and reports, records of actual or threatened litigation, administrative proceedings, land use proceedings, eminent domain or condemnation proceedings, records of fees and charges paid to governmental agencies, utilities bills, records relating to taxes and assessments, records relating to prior ownerships and prior uses, correspondence and other records of whatsoever nature. Within three (3) business days after the Agreement date Seller shall deliver to Buyer (I) an itemized list of all of Seller's Documents and (II) originals or copies of all of Seller's Documents.

B. Assignment at Close of Escrow. At Buyer's written request made at the close of Escrow, Seller shall assign to Buyer all Seller's right, title and interest in, to, and under any of Seller's Documents which Buyer shall designate for assignment. As part of such assignment, Seller shall also assign to Buyer: (I) all claims, counterclaims, defenses and/or actions, whether at law or pursuant to any other applicable federal, state or local law, which Seller may have against any third parties relating to the design and/or construction of the Project and/or the existence of Hazardous Materials (as the term "Hazardous Materials" is hereinafter defined) in, at, on, under or about the Property; (II) any warranties, guaranties or other assurances from suppliers and vendors

of materials and equipment incorporated in the Project; (III) any vehicles and other self-propelled machines owned by Seller and used in connection with the Project; and (IV) existing contracts with consultants (such as civil engineers, environmental consultants, soils engineers, architects, etc.) whose services Buyer elects to retain in connection with the Project. The assignment to be made pursuant to this Subsection B shall be substantially in the form of the written assignment (the "General Assignment") attached hereto as Exhibit C.

C. Definition of "Hazardous Materials". As used in this Agreement the term "Hazardous Materials" shall mean any substance, material, waste, chemical, mixture or compound which: (I) is flammable, ignitable, radioactive, hazardous, toxic, corrosive or reactive, and which is regulated under law or by a public entity, (II) is a "Hazardous Substance" as defined or listed under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended, or under any regulations promulgated thereunder as amended, (III) is crude oil, petroleum, natural gas, or distillates or fractions thereof, and/or (IV) damages or threatens to damage health, safety, or the environment or is required by any law or public entity (including, without limitation, the County) to be remediated, including remediation which such law or public entity requires in order for the Property to be used for any lawful purpose, including, without limitation, use as a residential subdivision.

D. Remediation. If any remediation is required by any law or public entity with respect to Hazardous Materials which affect the Property, Seller, at Seller's sole cost and expense, shall cause the remediation promptly to be undertaken, diligently prosecuted, and fully completed prior to close of Escrow. Seller hereby warrants to Buyer that all remediation work shall be performed without defects or deficiencies in accordance with all applicable legal requirements and guarantees the integrity and effectiveness of such work. Seller shall indemnify and hold Buyer harmless against any claims, demands, damages, liabilities, costs and expenses which Buyer may suffer or incur on account of Hazardous Materials existing in, at, on, under or about the Property prior to close of Escrow on account of any remediation work.

performed by Seller.

(v) Title. At the time Buyer opens the Escrow, Buyer shall order from Sandpoint a preliminary report of title (the "Report") on the Property, together with complete and legible copies of all the matters (collectively "Exceptions" and individually "Exception") which the Report shows as exceptions to title. Seller shall immediately engage a licensed civil engineer or surveyor to conduct a boundary survey (the "Survey") of the Property in sufficient detail and standards to enable Sandpoint to use such boundary Survey to issue an ALTA policy of title insurance on the Property at close of Escrow; provided, however, that Buyer shall be responsible for completing any survey and site work within the boundaries of the Property necessary for ALTA purposes. Seller shall pay the surveyor for the cost of the boundary survey portion of the Survey, and Buyer shall pay any additional survey and site work costs necessary to produce a survey which satisfies the requirements for an acceptable ALTA survey. Buyer shall have until the later of (A) the Review Period Expiration Date or (B) ten (10) days after Buyer has received the Report, the Exceptions, and the Survey, in which to examine title to the Property; provided, however, that if Buyer shall not have received all of the Report, the Exceptions and any Survey which Buyer shall have ordered on or before January 15, 2005, Buyer shall have the right to extend the Review Period Expiration Date one day for each day after January 15, 2005, which elapses until Buyer has received all said material. Prior to expiration of the Review Period Expiration Date, Buyer shall notify Seller in writing of any objections to title arising from Buyer's review of the Report, the Exceptions and any Survey. Within three (3) business days after receipt of Buyer's notice of objections to title, Seller shall inform Buyer in writing (I) if there are any matters to which Buyer objected that Seller is unable or unwilling to remove, and (II) how Seller plans to remove the objections that Seller is willing to remove. If following the conclusion of the Review Period Expiration Date, Seller or Buyer shall discover an exception to title (a "Late Exception") which was not disclosed by the Report or a Survey, the discovering party shall immediately notify the other party thereof; Buyer shall then have three (3) business days to notify Seller if Buyer objects to the Late Exception. If Buyer does object to a Late Exception, then

Seller, within the next two (2) business days shall notify Buyer whether or not Seller will remove the Late Exception and, if yes, how. If there are objections (whether to Exceptions and/or to Late Exceptions) which Seller is unable or unwilling to remove, Buyer shall have the right either to accept the exception(s) in question or to terminate this Agreement, in which latter case Escrow Holder shall immediately return the Deposit to Buyer in immediately available funds. If there are objections which Seller states it will remove, and if removal may require the expenditure of funds, Buyer shall have the right to require Seller to effect the removal by an agreed date or to post security in an amount agreed to by both parties that is adequate to cover the cost of removal, so that Buyer shall have reasonable assurance, as Buyer expends funds and manpower in satisfaction of Buyer's obligations under Section 6(a) below, that the objection will in fact be removed before or removable at the close of Escrow.

(vi) Approved Exceptions. As used herein the term "Approved Exceptions" shall mean (A) a lien for non-delinquent property taxes and assessments, (B) any exceptions to title shown in the Report and/or any Survey to which Buyer did not object prior to expiration of the Review Period, (C) exceptions to title shown in the Report and/or Survey and/or Late Exceptions to which Buyer did timely object, which Seller then timely notified Buyer that Seller was unable or unwilling to remove, in which notice from Seller Buyer then acquiesced, and (D) liens and encumbrances (including entitlements) imposed on the Property at or prior to close of Escrow at the instance of or with the consent of Buyer. Any Exception which evidences a lien or other security interest (collectively "Monetary Liens") against the Property to secure any indebtedness of Seller or any other party other than Buyer (excluding, however, statutory liens to secure the payment of real property taxes and assessments) shall automatically constitute a disapproved Exception, and Seller hereby covenants to cause all Monetary Liens to be removed not later than Close of Escrow.

(c) Acceptance Notice. If Buyer, as a result of the Investigations, wishes to proceed under this Agreement and to keep this Agreement in effect, Buyer, prior to expiration of the Review Period, shall deliver written notice (the "Acceptance Notice") to both Seller and Sandpoint stating that Buyer will proceed under this

Agreement.

(d) Termination. Buyer shall have the right, exercisable in Buyer's sole and absolute discretion at any time during the Review Period, by written notice to Seller and to Sandpoint, to terminate this Agreement if the results of the Investigations do not meet with Buyer's approval. If Buyer does terminate the Agreement prior to the Review Period Expiration Date (as the same may be extended in connection with title review), this Agreement and the Escrow shall automatically terminate, and the parties shall have no further obligations or liabilities to each other hereunder.

(e) No Earnest Money. Seller acknowledges that Buyer will expend material amounts of manpower and money in conducting Buyer's investigations pursuant to this Agreement and that, as an integral part of Buyer's Investigations, Buyer, at Buyer's expense, will commence the preparation of preliminary development materials such as a final land plan, golf course routings, a business plan for the Project and *pro forma* budgets and financial projections. Seller further acknowledges that the manpower and money which Buyer so expends will constitute a detriment to Buyer if Buyer elects not to deliver the Acceptance Notice to Seller, thereby terminating Buyer's interest in the Project. Recognizing said detriment as a valid consideration, Seller has agreed not to require any earnest money payment on account of the Purchase Price upon the execution of this Agreement by the parties. Buyer, in reciprocation, hereby covenants, if Buyer elects not to deliver the Acceptance Notice, to deliver to Seller the information about the Property resulting from Buyer's Investigations and the preliminary development materials which Buyer shall have prepared unless Buyer is restricted by contract or by law from delivering any such information and/or material to Seller. Buyer shall use its best efforts to obtain, in any contract Buyer enters in furtherance of Buyer's Investigations, the consultant's permission to deliver to Seller, if Buyer elects not to deliver the Acceptance Notice, whatever written information and/or material is generated pursuant to the contract.

6. Rights and Obligations of the Parties.

(a) Planning Work.

(i) Entitlements. Concurrently with conducting its Investigations during the Review Period, Buyer shall undertake the land use entitlement work necessary to submit a final development plan for the Project to the County and shall diligently prosecute the work required to prepare such a submittal. If Buyer shall issue the Acceptance Notice, Buyer, unless Buyer has previously made the submission, shall as soon as possible after the date of the Acceptance Notice submit to the County and diligently pursue applications for, and use Buyer's best reasonable professional efforts to obtain, the land use entitlements (individually "Entitlement" and collectively "Entitlements") necessary for all the distinct parcels which the Land comprises, recognizing that said parcels are not all contiguous and that distinct parcels may require separate applications, including, without limitation, the entitlements listed in Exhibit B-2 hereto. The term "Entitlements" as used herein shall also include such other permits, licenses, approvals and governmental authorizations (whether from the County or from any other local, state or federal agency with jurisdiction over the Property) as may be necessary for lawful development of the Project in accordance with Buyer's development plan. Buyer, at Buyer's sole cost and expense, shall pay for the governmental fees, charges and taxes, which are payable in connection with applying for the Entitlements and for the cost of the planning, engineering and architectural services necessary to prepare the submittals which the application procedures require.

(ii) Definition of "finally approved". As used in this Agreement the term "final" or "finally approved" shall mean, with respect to any Entitlement that (A) the necessary governmental agency which is required to approve an Entitlement shall have approved the Entitlement and such approval shall be stated in a resolution adopted by such agency and certified by the secretary of such agency and (B) the time period for filing or entering any administrative or legal appeal from or objection to the approval of an Entitlement shall have expired without an appeal or objection having been filed or entered, or, if an appeal or objection has been filed or entered, that the proceedings on such appeal or objection shall have been

terminated with the approval of the Entitlement being upheld substantially as initially approved, and the time period for filing or entering any administrative or legal appeal from the upheld decision shall have expired without further appeals or objections having been made.

(iii) Business Plan. Seller acknowledges

that

Buyer intends to prepare a business plan (the "Business Plan") for the development of the Project as a high-end resort and residential community and that, as of the Agreement Date, the work necessary to complete the Business Plan has only just commenced and is therefore in a preliminary, formative stage. Buyer covenants, however, to use diligent efforts to complete the Business Plan prior to the Review Period Expiration Date and to submit the completed Business Plan to Seller for review and approval. The purpose of granting Seller the right to review the Business Plan is to assure Seller that the Business Plan does not differ materially from Seller's existing development plan for the Project taking into account that the Business Plan will likely include high-end resort and residential community features, which Seller hereby accepts and approves, such as a single family lots, home units which may be free-standing and/or attached, hotel units, units to be sold and integrated into a rental pool, time-share and/or fractional interest units, one or more championship golf courses, and other amenities appropriate for a first-class resort. Therefore the scope of Seller's review of the Business Plan shall be limited to determining that the Business Plan does not differ materially from Seller's existing development plan in light of the variations and augmentations for developing the Project as a high-end resort and residential community included in the Business Plan. Seller shall not unreasonably withhold or delay its approval of the Business Plan within the aforesaid scope of review. Unless Seller notifies Buyer in writing of specific objections to the Business Plan within ten (10) days after Buyer has delivered the Business Plan to Seller for review, Seller shall be deemed to have approved the Business Plan. Once the Business Plan is approved, Buyer shall use Buyer's best reasonable efforts to execute the Business Plan as approved subject to whatever changes in the Business Plan are necessary to respond prudently to actual market circumstances and to any changed conditions. It is agreed and understood that Seller is entering into this agreement with the anticipation of

profiting from the overall sales anticipated by said plan. Seller's approval of said Business plan is in anticipation of a sharing of profits that should reach \$20,000,000 for Seller's share. Said \$20,000,000 is over and above the \$16,000,000 down payment. Any Business Plan that shows anticipated profits to Seller of an amount less than said \$20,000,000 or that shows profits that are unrealistically achievable may be grounds for Seller's rejection of said Business Plan.

(b) Reservations in favor of Seller.

(i) Lots. From time to time as final subdivision maps are recorded upon the Land, Seller shall have the right, for at least fourteen (14) days prior to release of such lots to the public for purchase, to select and purchase up to a maximum of seven (7) lots on which no units are planned for construction for eighty percent (80%) of the intended release prices

(ii) Golf Memberships. If Buyer determines that golf privileges at any Project golf course shall be subject to private golf memberships (each, a "Membership"), then, Seller shall be entitled to seven (7) honorary memberships, i.e., memberships for which Seller shall be exempt from paying the purchase price. But Seller shall be responsible for paying periodic dues, greens fees, and other charges which are a function of the use which the holders of said seven (7) memberships make of golf course facilities. Said seven (7) honorary memberships are personal to Seller and are not transferable or redeemable. Each Membership shall in any event be on such terms and conditions as Buyer determines in Buyer's sole and absolute discretion, including, without limitation, terms and conditions as to the cost of Membership, tee-time priority, greens-fees discounts, pro shop merchandise discounts and termination of the Membership. Buyer, furthermore, shall have the right to determine, in Buyer's reasonable discretion exercised in good faith, whether to implement, and thereafter whether to continue or terminate, any Membership program. Notwithstanding the foregoing, but without in any way limiting Buyer's right to determine all other terms and conditions of any private golf Membership program, so long as Buyer elects to implement and continue a private

Membership program at the Project golf course, Buyer hereby agrees that Buyer shall not terminate without cause any of the seven (7) honorary Memberships hereby granted to Seller. Buyer is hereby informed that there are several life time memberships that were a part of the membership of the existing Hidden Lakes Golf Course when acquired by Seller and those memberships must remain. Buyer is further hereby informed that various lot purchasers have time remaining on golf membership rights and boat slip privileges. Seller shall furnish a list of said life time memberships and said lots purchasers with unexpired rights to Buyer prior to January 25, 2005.

(c) Seller's Cooperation. Throughout the term of this Agreement, Seller shall cooperate with Buyer and with Buyer's efforts to secure final approval of the Entitlements. Buyer shall be responsible for the payment of application and processing fees charged by governmental agencies and for the services of such Advisers as Buyer may utilize in connection with the processing for the Entitlements.

(d) Deposit to Seller. Upon the date which is the earlier of (i) the date upon which Buyer submits its application to the County for issuance and approval of the Entitlements or (ii) the Review Period Expiration Date (as the same may be extended for title review as provided herein), the Deposit shall be released to Seller.

(e) Discount to Cottonwood Buyers. Buyer agrees to offer a \$20,000 discount off any retail purchase price set established by Buyer on any lot or home that Buyer constructs to any person who as of the date of this Agreement had a valid and buying deposit on a Cottonwood Condominium, such parties being identified on Schedule B. Such right to purchase shall be subject to all rules and regulations set forth by Buyer as to any priority system of choosing lots and homes so that Buyer in its sole discretion may determine who has first choice of such lots and homes. This discount shall apply to the first release only of lots and homes and if the prospective purchaser elects not to purchase then such right shall forever be waived. Further, such right shall not apply or be used as part of the Founder program, but only to the sale of lots or homes to the general public on a retail basis.

(f) Inventory and Bill of Sale. Immediately

following the Agreement Date Seller, at Seller's expense, shall prepare, for review and testing by Buyer's auditors (whose expense Buyer shall pay) a complete and detailed written inventory (the "Inventory") of all the personal property which the Property encompasses (including, without limitation, furniture, fixtures, appliances, equipment, cars and other vehicles, golf carts, pro shop merchandise, supplies and accounts receivable). The Inventory shall be based upon a physical inventory of the personalty which the Property includes and which shall be conducted in the presence of an auditor whom Buyer designates. Seller shall deliver the Inventory to Seller for review at least thirty (30) days prior to Close of Escrow. At Close of Escrow Seller shall execute and deliver to Buyer a written certification (the "Inventory Certification") that the Inventory, subject to any corrections and additions made between the date Seller first submits the Inventory to Buyer and Close of Escrow, constitutes a complete itemized description of all the personal property which the Property includes. At Close of Escrow Seller shall also deliver to Buyer a bill of sale (the "Bill of Sale"), which shall be substantially in the form of Exhibit D hereto, conveying marketable title to said personal property to Buyer free and clear of any liens, claims, security interests and encumbrances.

(g) Protocol for Prorating Golf Course Operations. Buyer and Seller shall prorate and settle the allocation of operating income and operating expenses as of the Closing Date or as of such other date upon which they may agree. Buyer shall pay for Seller's inventory at cost, which payment shall be in addition to the Purchase Price; the inventory shall include, without limitation, food and beverages, clothing, wine and liquor, fuels, and maintenance supplies. The operating expenses to be prorated shall include, but not be limited to, management fees payable under any applicable management agreement, insurance, water and sewer charges, maintenance, supply costs, personnel and payroll costs, and charges for electricity, gas, telephone and other utilities and license fees. Any utility deposits ("Utility Deposits") made with utilities providers shall be transferred and assigned to Buyer as part of the Property in consideration for the Purchase Price. If the parties are unable to make a final reconciliation of any Utility Deposits as of Close of Escrow, the Utility Deposits shall be subject to adjustment promptly upon receipt of deposit information sufficient to

permit completion of said adjustment. Seller shall also transfer and assign to Buyer, as part of the Property, any and all amounts associated with any Project golf course which originated as refundable membership deposits or initiation fees, all outing, tournament, and banquet deposits, all deposits or membership fees paid in connection with season or annual golf passes or similar play-privilege programs, and all complimentary play awards (collectively, the "Accrued Deposits"). Buyer shall take title to the Property at Close of Escrow subject to the liabilities and obligations associated with the Accrued Deposits. Seller shall have all rights to any deposit refunds and/or the benefit of any bonds securing the obligation for completion of the intersection at Lower Pack River Road and Seller shall be responsible for any unfinished portions of that intersection.

(h) As-Built Plans. Within three (3) days after the Agreement Date Seller shall deliver to Buyer, in each case to the extent in Seller's possession or in the possession of Seller's consultants or otherwise reasonably subject to Seller's control: (i) as-built plans, if any, for existing structures and facilities (including infrastructure facilities) on the Land; (ii) maps showing the location of existing structures and facilities (including infrastructure facilities); and (iii) any other plans and drawings pertaining to existing or proposed structures and facilities for the Property.

(i) Seller's Step-In Rights. Buyer shall use Buyer's best reasonable commercial efforts, in negotiating and concluding an institutional loans for the acquisition and development and for the construction of the Project, to obtain provisions in the loan documentation requiring the lender to notify Seller upon the occurrence of an event of default on the part of Buyer under any such loan and allowing Seller the right to cure such default

(j) Termination by Buyer. At any time between the Agreement Date and Close of Escrow, Buyer, by written notice to Seller and Sandpoint, may terminate this Agreement without liability to Seller. If Buyer does so terminate this Agreement, Seller shall retain the Deposit and the parties shall have no further liability to each other hereunder; provided, however, if Buyer submits plans

to the County for approval, such plans are approved, but an appeal or lawsuit is filed that prevents Buyer from having Final Approvals by January 31, 2007; and Buyer elects to terminate this Agreement, then Buyer shall receive a percentage ownership in the Property in a ratio equal to the total amount of all deposits paid by Buyer to \$35,000,000.

7. Close of Escrow.

- (a) Time for Close of Escrow. Escrow shall close on the business day which first occurs after twenty (20) calendar days shall have elapsed after all the Entitlements for all the parcels which the Land comprises have been finally approved unless the parties shall hereafter mutually agree upon another earlier or later date. The above notwithstanding, closing shall occur on or before June 30, 2006, unless an appeal or lawsuit has been filed challenging the project, in which case Buyer may extend the closing to January 31, 2007, by paying Seller the sum of \$500,000, of which \$250,000 shall be applicable against the Down Payment at closing. Buyer shall use its best efforts to, and diligently proceed with, the submittal of all entitlement documents, pursuing the entitlements with the County, and defending any actions challenging the approvals obtained. Buyer shall have no obligation to proceed to close the purchase of the Property unless and until all the Entitlements have been approved and/or issued. Seller presently anticipates that all the Entitlements will be approved and/or issued in time for Escrow to close not later than September 30, 2005. Seller recognizes, however, that Close of Escrow may occur later than September 30, 2005. The above notwithstanding, the deeds conveying the two lakefront parcels known as Idaho Country Resorts shall be executed by Seller and placed in escrow at Sandpoint Title Company, and the release from escrow and recordation of such deeds shall be at such time as Buyer determines in its sole discretion, but in no event later than November 15, 2006. The use of such property during the period of time the deeds are held in escrow shall be governed by separate agreement executed between the Buyer and

Seller:

(b) Precise Moment of Closing. The closing of the purchase and sale transaction which this Agreement contemplates and the close of Escrow shall each be deemed to occur at the moment when the grant deed from Seller to Buyer (described in Section 8(b) below) is recorded in the Official Records of the County.

(c) Closing Costs and Prorations. As part of the closing proceedings, Sandpoint shall charge the parties for various costs and prorations, allocating them as follows. Seller shall be charged and shall pay for: any documentary transfer and municipal transfer taxes charged by the County or other governmental agencies; the premium for Buyer's title insurance; any monumentation fees; the cost of recording the grant deed; and one-half of Sandpoint's fees for administering the Escrow. Buyer shall pay for one-half of Sandpoint's fees for administering the Escrow. Sandpoint shall prorate non-delinquent property taxes and assessments as of the date of close of Escrow. Sandpoint shall allocate any other charges or costs which closing the Escrow entails in accordance with custom in the County.

(d) Proceedings at Close of Escrow. This Agreement shall constitute joint escrow instructions to Sandpoint. The parties shall execute such additional instructions not inconsistent with the provisions of this Agreement as Sandpoint may reasonably request; provided, however, that as between the parties, if any conflict arises between the provisions of this Agreement and the provisions of any of Sandpoint's separate instructions, then the provisions of this Agreement shall control. Sandpoint is designated the "real estate reporting person" for purposes of Section 6045 of the Internal Revenue Code of 1986, as amended and Treasury Regulation 1.6045-4, and any instructions or settlement statement prepared by Sandpoint shall so provide. Sandpoint shall be responsible for filing Form 1099-S with the Internal Revenue Service. Buyer and Seller may each submit separate additional written escrow instructions to Sandpoint for Sandpoint's direction and use in administering the closing. Such separate additional instructions shall be consistent with, and shall not contradict, the provisions of this Agreement. In case of any conflict between any instructions which either Seller or Buyer shall submit and the provisions of

this Agreement, the provisions of this Agreement shall prevail and control.

8. Conditions Precedent to Close of Escrow.

(a) Conditions Precedent in favor of Seller. At or prior to close of Escrow, the following condition precedent shall have been satisfied: namely, that Buyer shall have deposited in Escrow in immediately available funds the sum of (i) the entirety of the Purchase Price due at closing, subject to a credit for the Deposit, and (ii) Buyer's share of closing costs and prorations.

(b) Conditions Precedent in favor of Buyer. At or prior to close of Escrow, each of the following conditions precedent shall have been waived by Buyer (any such waiver to be in writing and delivered to Sandpoint) or satisfied:

(i) Seller shall have performed all its obligations hereunder to be performed prior to close of Escrow and shall not be in breach of any representation or warranty of Seller made herein.

(ii) Seller shall have deposited the following instruments in Escrow: (A) a grant deed, executed in recordable form, sufficient according to Sandpoint to convey marketable fee simple title to the Property to Buyer subject only to Approved Exceptions; (B) the General Assignment, executed in final form by Seller; and (C) the Inventory Certification and the Bill of Sale (D) documentation necessary to relieve Buyer of its obligation to withhold taxes from the Purchase Price in accordance with the Foreign Investment in Real Property Tax Act and any equivalent Idaho statute or regulation. The documentation for clause (D) of the preceding sentence shall be reasonably satisfactory in form and substance to Buyer and Buyer's legal counsel.

(iii) The Entitlements shall have been finally approved for all parcels which the Land includes.

(iv) Seller shall have approved the Business Plan.

(v) Seller shall have fully performed and fully paid for any remediation work required pursuant to

Section 5(b)-(iv) (D) hereof.

(vi) Sandpoint shall be ready and willing to issue, conditioned only upon payment of the premium therefore, its standard A.L.T.A. policy of title insurance (1970 Form-B), together with such endorsements as Buyer and/or Buyer's lender may reasonably require (including, without limitation, a lien-free endorsement), dated and effective as of the time of close of Escrow and supported by such policies of reinsurance as Buyer and/or Buyer's lender may require, insuring Buyer in the principal amount of the Purchase Price that marketable fee simple title to the Property is vested in Buyer subject only to Approved Exceptions, and insuring Buyer's lender (if any) that the deed of trust securing said lender's purchase money loan to Buyer is a lien of first priority against the Property.

(vii) Buyer and Seller shall have completed the prorations and inventory as contemplated in Section 6(g) above.

(viii) Buyer shall have received estoppel certificates from each of Seller's consultants whom Buyer shall designate, dated as of the date of Close of Escrow and otherwise satisfactory to Buyer and Buyer's legal counsel in form and substance, certifying that work which such consultant has done in connection with the Project, describing any work which is unperformed under the consultant's contract with Seller, certifying that the consultant has completed the scope of work specified in its contract with Seller and has been fully paid for its services in connection with the Property (or, if the contractor has not completed its work and/or has not been fully paid, describing (A) amounts billed to Seller and unpaid under such contract; (B) amounts accrued but unbilled, and (C) the cost to complete work yet unperformed under the contract).

(ix) There shall have been no material adverse

changes to the physical condition of or title to the Property between the Agreement Date and the Close of Escrow.

(x) Effective not later than Close of Escrow, Seller shall have terminated the employment in connection with the Property of all employees of Seller or of any affiliate of Seller and shall have fully paid all such employees all compensation due to such employees for such employment through the effective date of their respective terminations, including all benefits to which such employees are entitled, payroll taxes and withholding taxes.

(xi) Seller shall have delivered to Buyer the will serve letter required in Section 11(j) below.

(xii) Seller shall have secured consents from Mr. Berry and R.E Loans LLC, respectively, for transfer of the Property to Buyer upon the understanding that Buyer will accept title to the Property subject to the deeds of trust which secure the Berry Note and the REL Note and will become responsible for the payments due under said two promissory notes. Buyer agrees to pay to R E. Loans LLC one point for the assumption of said loan

(xiii) Mr. Berry shall have agreed to a modification of the Berry Note to provide that the Berry Note shall be payable on an interest-only basis, with installments of interest payable monthly/quarterly/annually in arrears, with all amounts of principal and interest due under the Berry Note payable in full on or before the third anniversary of close of Escrow.

(xiv) Buyer will waive the entitlement contingency on the lakefront property and close on all the property upon receipt of entitlements on the mountain and golf parcels, all under the

timeframes as outlined in the third amendment and Seller agrees to the same, and the closing of such lakefront parcels shall occur as described in paragraph 7(a) above.

(c) Failure of Conditions. If any one or more of the conditions precedent in favor of Buyer listed above in Section 8(b) shall not be waived by Buyer or satisfied, Escrow shall not close, and Buyer, at Buyer's sole and exclusive election, may either (i) unilaterally extend the time for close of Escrow for such reasonable period as in Buyer's commercial judgment is sufficient for permitting satisfaction of any such failed condition or (ii) by written notice to Seller and Sandpoint terminate this Agreement and the Escrow. Thereafter the parties shall have no further obligations or liabilities to each other hereunder; provided, however, if Escrow fails to close by reason of the default of Seller under this Agreement, Buyer shall be entitled to immediate return of the Deposit in immediately available funds and to exercise, singly or in any combination, any and all remedies available to Buyer at law or in equity.

9. Liquidated Damages. IF BUYER HAS DELIVERED THE ACCEPTANCE NOTICE TO SELLER AND THEREAFTER ALL THE CONDITIONS PRECEDENT IN FAVOR OF BUYER HAVE BEEN WAIVED BY BUYER OR ARE SATISFIED, AND BUYER THEN FAILS TO PAY THE PURCHASE PRICE TO SELLER AND DOES NOT CLOSE THE ESCROW IN ACCORDANCE WITH BUYER'S OBLIGATIONS UNDER THIS AGREEMENT, BUYER AND SELLER AGREE THAT THE DAMAGES TO SELLER WOULD BE DIFFICULT AND IMPRACTICAL TO DETERMINE. ACCORDINGLY BUYER AND SELLER HAVE AGREED TO FIX AS LIQUIDATED DAMAGES THE AMOUNT EQUAL TO THE PLAN SUBMITTAL PAYMENT OF TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000). SAID AMOUNT SHALL BE RELEASED AND RETAINED BY SELLER AS LIQUIDATED DAMAGES AND SHALL CONSTITUTE SELLER'S SOLE AND EXCLUSIVE REMEDY FOR BUYER'S FAILURE TO PURCHASE THE PROPERTY. THE RETENTION OF SAID AMOUNT BY SELLER AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY; IT IS INTENDED INSTEAD AS LIQUIDATED DAMAGES. SELLER AGREES THAT SAID AMOUNT AS LIQUIDATED DAMAGES SHALL BE IN LIEU OF ANY OTHER MONETARY RELIEF OR OTHER REMEDY, INCLUDING, WITHOUT LIMITATION, SPECIFIC PERFORMANCE OR DAMAGES TO WHICH SELLER MIGHT OTHERWISE BE ENTITLED, WHETHER UNDER THIS AGREEMENT OR AT LAW OR IN EQUITY. SELLER AND BUYER SPECIFICALLY

ACKNOWLEDGE THEIR AGREEMENT TO THIS LIQUIDATED DAMAGES PROVISION BY SIGNING THIS SECTION IN THE APPROPRIATE SPACES BELOW:

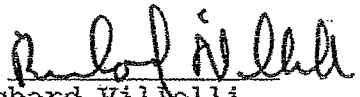
Seller's signature

Buyer's signature

North Idaho Resorts, LLC

Pend Oreille Bonner
Investments, LLC

By Vilelli Enterprises Inc.
Managing Member

By 
Richard Vilelli
President

By _____
Chip L. Bowlby
Member

10. Seller's Covenants.

(a) Insurance. Throughout the term of this Agreement Seller shall keep in effect all existing insurance on the Property in effect, which shall include, at a minimum, a comprehensive general public liability policy with a combined and single occurrence coverage of at least One Million Dollars (\$1,000,000).

(b) New Transactions. Throughout the term of this Agreement, Seller shall not enter or extend any existing leases, occupancy agreements or other arrangements which confer any possessory rights in the Property upon third parties, or grant any easements or other rights which would constitute exceptions to title to the Property, or grant or suffer any liens or encumbrances against the Property on account of monetary or other obligations of Seller, or increase the amount of any indebtedness secured by the Property on the Agreement Date unless such increases occur in the ordinary course of operating the ongoing business and provided that any such indebtedness obligations shall be the responsibility of the Seller.

(c) Existing Transactions. Throughout the term of this Agreement, Seller shall timely and fully perform the obligations of Seller under any existing leases,

contracts, loan agreements, security instruments (such as mortgages, deeds of trust, and Uniform Commercial Code financing statements and security agreements), bonds or other agreements affecting the Property and shall take such actions and enter such further agreements as are necessary to enable Seller to cause all such existing agreements to be terminated at or prior to close of Escrow.

(d) Delivery of Possession. Immediately upon close of Escrow Seller shall tender delivery of possession of the Property to Buyer, free and clear of the occupancy of any third persons or entities and free and clear of the personal property of any third persons or entities except those persons occupying RV spaces at Idaho Country resorts shall have until the later of (i) September 30, 2005 and (ii) Close of Escrow to vacate their spaces and manager of said resorts shall be allowed to remain on premises until given 90 day notice by Buyer after Close of Escrow. Seller shall be responsible for causing occupants of the RV spaces to vacate by not later than the later of (i) September 30, 2005 and (ii) Close of Escrow and, at Close of Escrow, shall provide Buyer with a written agreement from the resort manager agreeing to vacate his premises upon receipt of a 90 day notice from Buyer. Seller shall have caused any third persons or entities fully to have vacated the Property by the close of Escrow and to have removed any personal property belonging to such third persons or entities. All risk of material or immaterial loss and damage (including condemnation of the Property) by casualty or other cause shall be and remain with Seller until close of Escrow. Upon close of Escrow all risk of material and immaterial loss and damage to the Property shall pass to Buyer.

(i) If any damage or destruction to any of the Property occurs prior to Closing (including the destruction of natural vegetation by fire), Seller shall immediately give Buyer written notice of such damage or destruction, and Buyer shall have the option, exercisable within ten (10) days thereafter either (A) to terminate this Agreement, in which case Sandpoint shall immediately return all documents, instruments and monies to the Party which deposited same in respect of the Closing and Seller shall immediately return to Buyer the Deposit, or (B) to accept the Property in its condition at that time, and to receive an assignment of all of Seller's rights to any insurance proceeds payable by reason of such damage or

destruction, with a commensurate reduction in the Purchase Price for loss over and above insurance proceeds. If Buyer elects to proceed under clause (B) above, Seller shall not compromise, settle or adjust any such insurance claims without Buyer's prior written consent.

(ii) If prior to the Closing all or any portion of the Property is subject to an actual or threatened taking by a public authority, by the power of eminent domain or otherwise, Buyer shall have the right, exercisable by giving written notice to Seller within ten (10) days after Buyer's receipt of written notice of such taking, either (A) terminate Escrow, in which case Escrow Holder shall immediately return all documents, instruments and monies to the Party which deposited same in respect of the Closing and Seller shall immediately return to Buyer the Deposit or (B) to accept the applicable portion of the Property in its then condition, and to receive an assignment of all of Seller's rights to any condemnation award payable by reason of such taking. If Buyer elects to proceed under clause (B) above, Seller shall not compromise, settle or adjust any claims to such award without Buyer's prior written consent.

(e) Disclosure Statement. Within five (5) business days after the Agreement Date, Seller shall deliver to Buyer a written statement (the "Disclosure Statement") in which Seller shall set forth in itemized fashion all information, facts and circumstances of which Seller is aware (or by examination of Seller's records and other information available to Seller could become aware) concerning the matters enumerated below in this Section 10(e). Thereafter, throughout the term of this Agreement, Seller shall update and augment the Disclosure Statement by notifying Buyer in writing of any information of which Seller becomes aware which adds to or is contrary to information that Seller has previously provided to Buyer. To the extent that Seller does not provide any information to Buyer regarding any matter enumerated below in this Section 10(e), Seller shall be deemed to have represented to Buyer that Seller has no knowledge regarding such matter. Seller acknowledges that Buyer intends to rely on the information which Seller provides to Buyer pursuant to this Section 10(e), that the reliability of said information is a material inducement to Buyer to enter this Agreement and to perform Buyer's obligations hereunder, and that Buyer's right of reliance and Seller's representation

shall survive and be enforceable after the close of Escrow.

Seller shall inform Buyer with respect to the following matters regarding the Property:

(i) Whether Seller's interest in the Property is anything other than fee simple title to the Property.

(ii) Whether there are any mortgages, liens, encumbrances, leases, tenancies, security interests, covenants, conditions, restrictions, rights-of-way, easements, judgments, and rights of succession, options, or any other matters affecting title to the Property, except for those matters identified in the Report and/or the Survey.

(iii) Whether the Property presently consists of one or more legally subdivided parcels.

(iv) Whether any of the Property is subject to a conservation easement or other land use arrangement which precludes or restricts the development and sale of the property for commercial purposes.

(v) Whether: (A) the Property has been or is in violation of, or has been or is under investigation for a violation of, any federal, state or local law, ordinance or regulation relating to industrial hygiene or to environmental conditions in, at, on, under or about the Property including but not limited to soil and ground water conditions; (B) the Property has been subject to, or is within 2000 feet of, a deposit of Hazardous Materials; (C) Seller or any third party has used, generated, manufactured, stored or disposed in, at, on, under or about the Property or transported from the Property any Hazardous material; (D) there has been any discharge, migration or release of any Hazardous Material from, into, on, under or about the Property; (E) any underground and/or above-ground storage tanks currently exist or have existed in the past on the Property; and (F) whether any shooting ranges (including target ranges, skeet or trap ranges, and the like) currently exist or have existed in the past on the Property and, if so in either case, indicating the location of each such shooting range.

(vi) Whether there are any seismic safety

problems relating to the Property, and/or whether known or suspected fault lines and fault zones underlie and/or are located in the vicinity of the Property.

(vii) Whether there are any endangered or threatened species or protected natural habitat, wetlands, flora and/or fauna on the Property or lands adjacent to the Property or any areas that are or could be designated as wetlands.

(viii) Whether any portion of the Property is located in a flood zone.

(ix) Whether there are any existing, proposed or threatened eminent domain or condemnation actions or assessment district proceedings relating to the Property.

(x) Whether there are any facts or circumstances that would preclude Seller from delivering fee simple title to the Property to Buyer at close of Escrow subject only to Approved Exceptions.

(xi) Whether there is any governmental policy or action precluding or inhibiting (A) issuance of grading or building permits, (B) approval of precise engineering plans, environmental impact reports, or tentative or final subdivision maps, (C) issuance of certificates of occupancy, or (D) issuance of water, sewer, or other utility connection permits affecting the Property.

(xii) Whether there are any new development fees, impact fees or other fees, and/or increases therein, which will be levied (or are under consideration by any governmental agency or body) in connection with the development of the Property.

(xiii) Whether there is any action, suit or proceeding pending or threatened against or affecting the Property, or any portion thereof, or relating to or arising out of the operation or the use thereof, in any court or before any federal, state or local agency, or other governmental instrumentality.

(xiv) Whether the Property is not in compliance with all applicable governmental laws, ordinances, rules and regulations, including without

limitation such as concern Hazardous Materials, zoning and building regulations, and all licenses, permits and other governmental approvals and/or authorizations relating to the Property.

(xv) Whether there are any approvals and consents necessary in connection with the execution of this Agreement by Seller or the performance by Seller of Seller's obligations under this Agreement that have not been obtained.

(xvi) Whether this Agreement or anything to be done under this Agreement violates or will violate any contract, document, agreement or instrument to which Seller is a party or by which Seller is bound.

(xvii) Whether any of Seller's Documents is inaccurate or misleading in any material respect, and whether any of the agreements to which Seller is a party and included among Seller's Documents is not a true, correct and complete copy thereof or is not binding upon Seller.

(xviii) Whether there are any archaeological features and/or remains on the Property, and whether there are any cemeteries, burial grounds or other Native American sites on the Property.

(f) Release of Options and Rights of First Refusal.

Not later than fifteen days after the date of this agreement Seller, at Seller's exclusive cost, shall cause any purchase options or rights of first refusal or any other rights to acquire a legal or equitable interest in all or any portion of the Property, which presently exist in favor of any third party, to be released, terminated and extinguished (but subject to the provisions of Section 11(h) below. To the extent any such right exists of record, Seller shall cause the right to be terminated of record. Seller shall indemnify, protect, defend, and hold and save Buyer harmless from and against any failure of Seller to perform the covenant set forth in this Section 10(f).

11. Seller's Representations and Warranties.
Seller hereby makes the following representations and

warranties to Buyer, which shall survive the Close of Escrow and be enforceable at all times thereafter.

(a) Seller's Authority. Seller is a limited liability company duly formed and in good standing under the laws of the State of Idaho. Seller or Seller's partners own marketable fee simple title to the entirety of the Property. Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated in this Agreement.

(b) No Conflict. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder on the part of Seller do not violate any applicable law, ordinance, statute, rule, regulation, order, decree or judgment, conflict with or result in the breach of any material terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, or encumbrance upon the Property or any other assets of Seller by reason of the terms of any contract, mortgage, lien, lease, agreement, indenture, instrument or judgment to which Seller is a party or which is or purports to be binding upon Seller or which otherwise affects Seller, which will not be discharged, assumed or released at the Close of Escrow. No action by any federal, state or municipal or other governmental department, commission, board, bureau or instrumentality is necessary to make this Agreement a valid instrument binding upon Seller in accordance with its terms.

(c) Pending Actions. There are no pending or threatened actions, suits, arbitrations, claims, or proceedings, at law, in equity or otherwise, affecting, or which may affect, all or any portion of the Property or in which Seller is or will be a party by reason of Seller's ownership of the Property, including, but not limited to, judicial, municipal or administrative proceedings in eminent domain, collection or bankruptcy actions or proceedings to establish a new assessment district or increase the assessments imposed by an existing assessment district, zoning change, moratorium or other government policy or practice which affects the Property or Buyer's anticipated development of the Property.

(d) Violations. Seller has received no notice of any alleged building code violations, health and

safety violations, and federal, state or local agency actions regarding environmental matters, federal environmental protection agency or zoning violations.

(e) Consultants' Work Product. Except as provided in Section 6(e) above, after Close of Escrow Buyer shall have the right to use all work product produced by or for Seller prior to the Close of Escrow with respect to soils, engineering and architectural work, at no additional cost to Buyer. The Purchase Price is consideration for and the Property includes all such work product. Seller represents and warrants that (i) all Seller's contracts with its consultants are listed on Exhibit E hereto; (ii) all amounts due to consultants for their work product under said contracts have been paid in full by Seller through the date of this Agreement, and amounts which accrue hereafter shall be paid in full prior to Close of Escrow, other than miscellaneous reimbursements which Seller covenants to pay on or before the Close of Escrow; (iii) no further amounts are due to any consultant, other than miscellaneous reimbursements which Seller covenants to pay on or before the Close of Escrow, (iv) neither Seller nor any other party to any of said contracts are in default thereunder; (v) all work to be performed under said contracts has been completed or will be completed prior to Close of Escrow; and (vi) that no consultant has filed a lien against the Property on account of work such consultant has performed. Seller agrees, at Closing, to assign to Buyer all of Seller's rights, including, without limitation, all guarantees, warranties, representations and indemnities, whether contractual or statutory (collectively, the "Warranties"), under said contracts. If any of the Warranties or any other rights assigned to Buyer pursuant to the foregoing are not enforceable by Buyer, or if Buyer is not named as an additional insured on any policy of insurance for which Seller was added as an additional insured by the contracting party under any of said contracts, then Seller shall, at Buyer's request, exercise good faith efforts to enforce (y) such Warranties or other rights for the benefit of Buyer, or (z) Seller's rights under such additional insured endorsement for the benefit of Buyer, as the case may be; provided, that Buyer shall pay Seller's reasonable out-of-pocket costs incurred in such enforcement efforts to the extent that Buyer would have incurred such costs had such Warranties or other rights been enforceable directly by Buyer or had Buyer been named as an additional insured with respect to work

performed under the Project Documents. The intent of the foregoing provision is to put Buyer and Seller in the same position they would have been in whether or not the Warranties or other rights of Seller become enforceable directly by Buyer or had Buyer been named as an additional insured on any policy of insurance for which Seller was added as an additional insured to the third party's insurance.

(f) Occupancy Rights. There are no leases, occupancy agreements or other arrangements which confer any possessory rights in the Property on third parties and Seller shall deliver the Property to Buyer at the Close of Escrow free of any and all third party occupancy rights except for those at Idaho Country Resorts described above.

(g) Hazardous Materials. There are no Hazardous Materials present on, in or under the Property. There are chemicals and fuels stored for golf course maintenance purposes.

(h) Binding Obligations. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the rights of contracting parties generally. Neither this Agreement nor the consummation of any of the transactions contemplated hereby violates or shall violate any provision of any agreement or document to which Seller is a party or to which Seller is bound. No consent from any third party is required before any of the Property may be conveyed to Buyer. Buyer acknowledges that the Moose Mountain property is encumbered by a first right of refusal and a profit sharing restriction in favor of JV LLC. Seller covenants to attempt to obtain a release (the "Moose Mountain Release") of said right of first refusal and restriction, executed in recordable form by JV LLC, which shall be satisfactory to Buyer in form and substance, and to deliver the Moose Mountain Release to Buyer not later than fifteen days from the date of this agreement. If Seller fails to deliver the Moose Mountain Release to Buyer by said date, Buyer shall have the right to terminate this Agreement. For purposes of this agreement and for purposes of presenting holder of the first right of refusal, the purchase price of Moose Mountain shall be \$7,400,000. Notwithstanding, Seller covenants to present and disclose this Agreement in

its entirety to the holder of the option and right of first refusal.

(i) No Insolvency Condition. Neither Seller, nor any entity or person that directly or indirectly owns or controls Seller is bankrupt or insolvent under any applicable Federal or state standard, nor has any such party filed for protection or relief under any applicable bankruptcy or creditor protection statute nor has any such party been threatened by creditors with an involuntary application of any applicable bankruptcy or creditor protection statute. Seller is not entering into the transactions described in this Agreement with intent to defraud any creditor or to prefer the rights of one creditor over any other. Seller and Buyer have negotiated this Agreement at arms-length and the consideration to be paid represents fair value for the assets.

(j) No Hook-Up Fees. Seller (or its affiliate VP Inc.) owns the domestic water and sanitary sewer systems which serves and will serve the Project. Said systems presently have approvals to provide sufficient and adequate service to the Project for 326 units. At Close of Escrow Seller shall deliver a will serve letter for 326 units to Buyer less whatever hook-ups have already been provided to the existing Hidden Lakes community, which shall reasonably acceptable to Buyer in form and substance. Neither Buyer nor any party who purchases a lot or residential unit in the Project from Buyer shall be required or have any obligation to pay any hook-up fee to Seller or to any other party as a condition to receiving water and sanitary sewer services. The existing systems may be expanded upon the issuance of proper governmental approvals (by extension of the existing pipelines and provision of additional lagoon and land application capacity) to provide sufficient and adequate service additional units, in excess of the aforesaid 326 units, specified in Buyer's Business Plan; provided, the foregoing representation and warranty relating to service for any such additional units is made subject to the understanding that Seller shall not be responsible for the costs of expanding said systems to accommodate any such additional units. Buyer acknowledges that the ability to increase capacity is subject to governmental approvals and that Buyer must finance any such expansion. VP Inc., which owns and operates the existing water and sewer facilities, is an affiliate of Seller. Seller therefore hereby represents, warrants and covenants

to Buyer that VP, Inc. will enter into any agreements, execute any land use entitlement applications, and grant new rights of use or easements and remove any existing rights of use and easements (such as for sewer line, water line and lagoon use and land application) necessary or useful for the system and the development of the property by the Buyer. Buyer hereby represents, warrants and covenants to VP, Inc. that Buyer will enter into any agreements, execute any land use entitlement applications, and grant rights to use and easements for sewer lines, water lines and lagoon use and land application necessary or useful for system.

12. Indemnity. At all times from and after the Agreement Date Seller shall indemnify, protect, defend, save and hold Buyer harmless against any and all claims, losses, expenses, damages, liabilities, and causes of action which Buyer may suffer or incur at any time after the Agreement Date in consequence of any breach or default on the part of Seller under this Agreement and/or on account of the failure of Seller to perform any obligation of Seller relating to the Property which obligation first arises prior to the Closing Date hereunder. From and after Close of Escrow, Buyer shall indemnify, protect, defend, save and hold Seller harmless against any and all claims, losses, expenses, damages, liabilities, and causes of action which Seller may suffer or incur in consequence of the failure of Buyer to perform any obligation of Buyer relating to the Property which obligation first arises after the Closing Date hereunder.

13 Notices. All notices required hereunder shall be in writing and shall be delivered by personal delivery, commercial courier, by facsimile transmission (provided that receipt is confirmed by telephone or otherwise), or by mailing such notice by first class mail, certified, return receipt requested, postage and fees prepaid, addressed as follows:

SELLER

North Idaho Resorts, LLC

To Both

c/o Hidden Lakes Golf Resort

151 Clubhouse Way

Sandpoint, Idaho 83864

Attention: Mr. Richard Villelli

(208) 255-4498

Telephone: (208) 255-4500
Facsimile: (208) 255-4498

Lee Deierling
Vilelli Enterprises Inc.
1001 W Whittier Blvd.
La Habra, CA 90631

Telephone 562-697-5000
Facsimile 714-5260212

BUYER

Pend Oreille Bonner Investments, LLC
To both:

6900 South McCarran Boulevard
Suite 1010
Reno, Nevada 89509
Attention: Chip L. Bowlby

Telephone: (775) 324-6900
Facsimile: (775) 324-6922

9781 Blue Larkspur Lane
Monterey, CA 93940
Attention: Charles W. Reeves

Telephone: (831) 658-0395
Facsimile: (831) 642-9179

With a copy to:

William W. Sterling, Esq.
1821 Shoreline Highway
Sausalito, CA 94965

Telephone (415) 381-6455
Facsimile (415) 388-9615

SANDPOINT

Sandpoint Title Insurance Inc.
120 S 2nd Ave
Sandpoint Idaho 83864

Telephone

Telephone 208-263-2222

Facsimile 208-265-4040

or to such other address as either party may designate by written notice to the other. All notices shall be deemed delivered upon actual receipt or refusal of delivery.

14 Broker's Commission. Seller has used the services of one or more finders, real estate brokers and/or real estate salesmen in connection with the purchase and sale of the Property; Seller shall be exclusively responsible for the payment of any fees and commissions owing to such persons. Buyer represents and warrants to Seller that Buyer has not engaged any person, firm or entity to represent it in connection with the purchase and sale of the Property. Each party shall indemnify and hold the other harmless against any breach by it of the foregoing representation and warranty.

15. Nominee. At any time after the Agreement Date Buyer may assign any or all of its right, title and interest in and to this Agreement to another party or parties (collectively "Nominee") each of which is, directly or indirectly, an affiliate of Buyer and/or any of Chip L. Bowlby, Thomas J. Merschel, and Charles W. Reeves. Provided Nominee shall assume in writing all the then unperformed obligations of Buyer under this Agreement, Buyer shall thereupon automatically be relieved of all its liabilities and obligations under, and shall be fully released from, this Agreement. Buyer shall notify Seller and Sandpoint in writing upon the occurrence of any such assignment, and in the notice shall provide the name, address, telephone and facsimile numbers of Nominee.

16. Confidentiality. Buyer and Seller shall at all times keep the transactions contemplated hereby and all documents received from each other confidential, except (a) to the extent necessary to comply with applicable laws and regulations, (b) for discussion with Buyer's Advisors, (c) as needed to carry out the obligations of the parties hereunder, including, in the case of Buyer, arranging equity investments and debt financing for the Property.

17. Miscellaneous Provisions.

(a) Effectiveness of Instrument. This Agreement shall not constitute a binding agreement between Seller and Buyer until such time as both Buyer and Seller have executed this Agreement by completing and signing the signature blocks below and by signing and/or initialing the liquidated damages provisions in Section 9 above.

(b) Governing Law; Amendment; Construction. This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Idaho. Any modification of this Agreement must be in writing and signed by both Buyer and Seller. This Agreement memorializes the agreements reached after arms-length bargaining between Seller and Buyer; the parties and their counsel have reviewed it fully and it shall be deemed jointly drafted. Words, phrases, and all provisions hereof shall, except as specifically defined herein, be interpreted in accordance with their ordinary meanings. All personal pronouns used in this Agreement shall include the other genders. The singular shall include the plural, and the plural the singular, whenever and as often as may be appropriate. The captions and headings in this Agreement are for convenience only, are not part of the substantive provisions of this Agreement, and do not in any way limit or amplify the provisions hereof.

(c) Entire Agreement. This Agreement (together with any Exhibits hereto) constitutes the sole and entire agreement between Seller and Buyer concerning the Property and supersedes any and all prior oral or written agreements or understandings between them pertaining to the transactions contemplated herein. No representations, warranties or inducements, express or implied, have been made by either party to the other, except as set forth herein.

(d) Partial Invalidity. If a court of competent jurisdiction shall hold that any provision of this Agreement is invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect and shall in no way be impaired or invalidated. The parties shall, however, substitute for the provision held to be invalid or unenforceable a provision which is valid and enforceable which approximates as closely as possible the commercial and economic intent of the stricken provision.

(e) Attorney's Fees. Each party shall be separately responsible for any attorney's fees it may incur in connection with the negotiation and preparation of this Agreement, any Exhibits hereto and any other instruments or documents mentioned herein, as well as for such fees incurred in connection with the closing of the Escrow. If there is any legal action or proceeding between Seller and Buyer to enforce any provision of this Agreement or to protect or establish any right or remedy of either party hereunder, the prevailing party shall be entitled to all its costs and expenses, including attorney's fees and expert witness fees, incurred in connection with such action and in any appeal therefrom.

(f) Successors and Assigns. The provisions of this Agreement shall survive recordation of the grant deed (by which title to the Property is conveyed from Seller to Buyer) and close of Escrow. The provisions of this Agreement shall inure to the benefit of and bind Seller and Buyer and their respective successors and assigns.

(g) Further Documents. At any time and from time to time during the term of this Agreement as well as following the close of Escrow, each party, at the expense of the requesting party, shall execute and deliver (and acknowledge before a notary public where necessary) such instruments of transfer and such other documents as the other party may reasonably request or as are necessary to carry out and give effect to the purposes and intent of this Agreement.

(h) Definition of "business day". The term "business day" shall mean those weekdays on which Bank of America, National Association, is open for business to the public and is conducting its customary retail banking transactions in the State of California.

(i) Payment of Escrow Fees on Early Termination. If this Agreement terminates for any reason other than by close of Escrow, Seller and Buyer shall each pay directly to Sandpoint, upon demand, one-half of any fees or other charges owed to Sandpoint in its capacities as Sandpoint and Sandpoint hereunder.

(j) Incorporation of Exhibits. Any Exhibit mentioned in this Agreement shall be deemed incorporated in this Agreement by reference as though the provisions of the

Exhibit were fully set forth herein.

(k) Memorandum of this Agreement for Recordation. Neither Seller nor Buyer shall cause or permit the recordation of this Agreement. Upon the request of Buyer or Seller, however, made concurrently with or at any time after the execution of this Agreement by both parties, Buyer and Seller shall execute in recordable form and deliver to Buyer and Seller a memorandum of this Agreement, in the form of Exhibit F hereto, which Buyer and Seller may record, at recording party's expense, in the Official Records of the County.

(l) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be a fully binding and enforceable contract and agreement against the party signing such counterpart, but all such counterparts shall together constitute but one agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Agreement Date.

SELLER

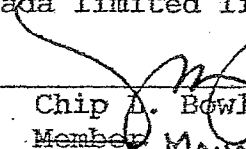
NORTH IDAHO RESORTS, LLC, an Idaho
limited liability company

By Villelli Enterprises Inc.
Managing Partner


By Richard A. Villelli
President

BUYER

Pend Oreille Bonner Investments, LLC, a
Nevada limited liability company

By 
Chip A. Bowlby
Member MANAGER

Acceptance of Agreement

The undersigned hereby: acknowledges receipt of a fully executed counterpart of this Agreement; accepts such authorizations, directions and instructions as are set forth herein for Sandpoint and Sandpoint; and agrees to act as Sandpoint and Sandpoint pursuant to this Agreement and to be bound by and perform the terms of this Agreement as such terms apply to the undersigned.

SANDPOINT TITLE INSURANCE INC.

By _____
Title _____

INDEX OF EXHIBITS

Exhibit A	Legal Description of Project Land
Exhibit B-1	Seller's Development Plan
Exhibit B-2	List of Entitlements
Exhibit C	General Assignment
Exhibit D	Bill of Sale
Exhibit E	Contracts with Consultants
Exhibit F	Memorandum of Agreement
Exhibit G	Berry Note
Exhibit H	R.E Loans LLC Note
EXHIBIT I	Hidden Lakes sales brochure
Schedule A	Title Exceptions

EXHIBIT A

LEGAL DESCRIPTIONS

EXHIBIT B-1

SELLER'S DEVELOPMENT PLAN

LIST OF ENTITLEMENTS

[THIS ENUMERATION IS SUBJECT TO REVIEW AND REFINEMENT
DURING THE REVIEW PERIOD]

Planned unit development application; conceptual land use plan; PUD compliance report; environmental analysis, to include wetlands delineation, wildlife assessment and cultural resources inventory; land capability report, to include domestic, irrigation and fire flow water availability, and sewage disposal suitability; stormwater management and erosion control plan; preliminary plat; preliminary plat application; flood plain delineation and mitigation measures; and traffic study (to include RR crossing at Trestle Creek).

PUD conditional use permit; final plat; sewer system approved "as-builts;" water system approved "as-builts;" approach permits; development permits (for flood plain activities); Corps 404 permits (if wetlands are filled or shorelines are stabilized); dock or marina Dept. of Lands permits; EPA NPDES (National Pollution Discharge Elimination System) permit (if we discharge stormwater into surface water); and county building permits

Two other permits on the Trestle Creek parcels: the railroad and the Idaho Transportation Department will most likely require a "license" (in the case of the RR), and an "approach or encroachment" permit (in the case of the ITD) to bore under the tracks and state highway should we need to run sewer lines to upland disposal sites

EXHIBIT C

GENERAL ASSIGNMENT

This General Assignment ("this Assignment") is made as of _____, 2005 by NORTH IDAHO RESORTS, LLC, a _____ limited liability company ("Assignor"), in favor of Pend Oreille Bonner Investments, LLC a Nevada limited liability company ("Assignee"), pursuant to the written agreement entitled Real Property Purchase and Sale Agreement by and between Assignor as seller and Assignee as buyer, dated December __, 2004 (the "Purchase Agreement"). This Assignment is subject to the provisions of the Purchase Agreement, and if any inconsistency between the Purchase Agreement and this Assignment arises, the provisions of the Purchase Agreement shall control. Terms which are defined in the Purchase Agreement shall, when used herein, have the same meaning as therein.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby sells, conveys, grants, delivers, transfers and assigns to Assignee, all of Assignor's right, title and interest in, to and under any and all of the following items (collectively the "Assigned Property"), which is part of Property, including, without limitation, the Land, which is the subject matter of the Agreement:

(a) The Entitlements, including, without limitation, all governmental zoning, use, occupancy, and operating permits, and all other governmental permits, licenses, approvals, applications, subdivision maps, entitlements, certificates, rights under development agreements, school fee mitigation agreements, building permits, development allocations, and development rights relating to the Property;

(b) All utility and other permits relating to the Property;

(c) All fee credits and license tax credits; all prepaid expenses, fees, and deposits with municipal agencies and utilities, applicable to the Property, and the right to any refunds thereunder or rebates thereof, including without limitation the Utility Deposits; and all tax and assessment protest actions and claims and rights to

prosecute the same, including without limitation all tax and assessment refunds or rebates now or hereafter payable;

(d) All plans and specifications for infrastructure, buildings, structures and fixtures located on the Property, whether existing or anticipated;

(e) All Assignor's rights, title and interest in and to Seller's Documents, the Consultant Contracts (which are listed in Exhibit F to the Agreement) and the Warranties;

(f) all claims, counterclaims, defenses and/or actions, whether at common law or pursuant to any other applicable federal, state or local law, which Seller may have against any third parties relating to the design and/or construction of the Project and/or the existence of Hazardous Materials (as the term "Hazardous Materials" is hereinafter defined) in, at, on, under or about the Property;

(g) any warranties, guaranties or other assurances from suppliers and vendors of materials and equipment incorporated in the Project; and

(h) any vehicles and other self-propelled machines owned by Seller and used in connection with the Project. Specifically excluded items are the 1965 Chris Craft boat and the 28 foot party barge. Both purchased and owned by Richard A. Villelli.

Assignor hereby represents, covenants and warrants in favor of Assignee and Assignee's successors and assigns that, (i) Assignor is the lawful owner and present holder of all the right, title and interest which presently exists in the Assigned Property, (ii) Assignor has good and marketable title to the Assigned Property and the exclusive lawful right to sell, assign, convey, transfer and set over title to the Assigned Property unto Assignee, (iii) no other party whomsoever has any legal or equitable interest in any item of the Assigned Property, (iv) the Assigned Property is in good usable operating condition and repair, and (v) Assignee shall quietly hold and enjoy the Assigned Property as against any claims advanced by or through Assignor, Assignor hereby covenanting and agreeing to defend and indemnify Assignee against any expenses (including reasonable legal fees and court costs) which Assignee may suffer or incur by reason of any such claims.

The provisions of this Assignment shall be binding upon and shall inure to the benefit of the successors and assigns of Assignor and Assignee, respectively.

ASSIGNOR:

NORTH IDAHO RESORTS,
LLC, a _____ limited liability
company

By _____
Title _____

EXHIBIT D

BILL OF SALE

The undersigned NORTH IDAHO RESORTS, LLC, a limited liability company ("Seller"), for good and valuable consideration, the sufficiency and receipt of which Seller hereby acknowledges, hereby sells, assigns, conveys, transfers and sets over unto Pend Oreille Bonner Investments, LLC, a Nevada limited liability company ("Buyer"), all of Seller's right, title and interest in and to all the items of personal property listed on Schedule One hereto (collectively, the "Personalty"). The Personalty does not include any personal property used with the Property which is leased. Copies of the pertinent leases are attached hereto and made a part hereof. Buyer must assume said leases in order to have the right to use the lease property.

Seller hereby represents, covenants and warrants in favor of Buyer and Buyer's successors and assigns that, (i) Seller is the lawful owner and present holder of all the right, title and interest which presently exists in the Personalty, (ii) Seller has good and marketable title to the Personalty and the exclusive lawful right to sell, assign, convey, transfer and set over title to the Personalty unto Buyer, (iii) no other party whomsoever has any legal or equitable interest in any item of the Personalty, (iv) the Personalty is in good usable operating condition and repair, and (v) Buyer shall quietly hold and enjoy the Personalty as against any claims advanced by or through Seller, Seller hereby covenanting and agreeing to defend and indemnify Buyer against any expenses (including reasonable legal fees and court costs) which Buyer may suffer or incur by reason of any such claims.

Dated: _____, 2005

SELLER:

NORTH IDAHO RESORTS, LLC, a
_____ limited
liability company

By _____

Title _____

SCHEDULE ONE

SCHEDULE ONE
TO
BILL OF SALE

1. The Accrued Deposits
2. The items on the attached Inventory.

{ATTACH INVENTORY}

EXHIBIT E

CONTRACTS WITH CONSULTANTS

EXHIBIT F

MEMORANDUM FOR RECORDATION

Recorded at the request of, &
after recording please return to:

Pend Oreille Bonner Investments, LLC
6900 South McCarran Boulevard
Suite 1010
Reno, Nevada 89509
Attention: Sherry Wagner

MEMORANDUM OF REAL PROPERTY
PURCHASE AND SALE AGREEMENT

NORTH IDAHO RESORTS, LLC, a _____ limited liability
company ("Seller") and Pend Oreille Bonner Investments,
LLC, a Nevada limited liability company ("Buyer"), hereby
acknowledge and agree as follows:

1. Seller and Buyer have entered into a written
agreement entitled "Real Property Purchase and Sale
Agreement" made and entered into effective as of December
____, 2004. Said agreement is unrecorded.

2. Said agreement concerns the real property (the
"Property") located in the County of Bonner, State of
Idaho. The Property is described in said agreement and on
Exhibit One hereto.

3. Seller hereby agrees to sell the Property to
Buyer, and Buyer hereby agrees to purchase the Property
from Seller, all pursuant to the provisions of said
unrecorded written agreement.

IN WITNESS WHEREOF, Seller and Buyer have executed
this Memorandum.

SELLER

NORTH IDAHO RESORTS, LLC, a

Limited Liability Company

By _____
Title _____

BUYER

Pend Oreille Bonner Investments, LLC, a
Nevada limited liability company

By Chip L. Bowlby, Member

EXHIBIT ONE

EXHIBIT ONE
TO
MEMORANDUM FOR RECORDATION

**SCHEDULE A
TITLE EXCEPTIONS**

Based on the Preliminary Title Report issued on January 3, 2005 at 8:00 a.m. and reissued on February 1, 2005, by Sandpoint Title, Commitment No., the following numbered exceptions are objected to and should be removed as exceptions to title:

19, 24, 29, 30, 32, 43, 44, 46, 47, 48, 49, 50, 67, 68, 69, 70, 71, 79, 87, 88, 89, 93, 102, 117, 118, 119, and 120.

The following exceptions and underlying documents need further review to determine their impact on the development plan and as provided in the Amended and Restated Agreement, the Buyer shall have until February 28, 2005, to review these exceptions:

18, 20, 21, 22, 23, 25, 26, 27, 31, 33, 38, 53, 54, 55, 56, 57, 58, 59, 74, 75, 78, 80, 81, 82, 83, 92, 94, 95, 96, 97, 104, 105, 106, 107, 108, 110, 112, 114, and Railroad Right-of-way as it relates to Section D.

EXHIBIT G
Berry Note and Mortgage

EXHIBIT H
R.E. Loans LLC Note and Mortgage

EXHIBIT I
Sales Map of Lots West of Lower Pack River Road

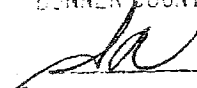
Exhibit

CC-B₁ 88

FILED BY
SANDPOINT TITLE INSURANCE

2006 JUN 19 P 1:41
5700

MARIE SCOTT
BONNER COUNTY RECORDER

 DEPUTY

Recorded at the request of, &
after recording please return to:

Pend Oreille Bonner Development Holdings, Inc.
6900 South McCarran Boulevard
Suite 1010
Reno, Nevada 89509
Attention: Sherry Wagner

41347-2A

Above Space Reserved for Recording Information

706475

MEMORANDUM OF REAL PROPERTY
PURCHASE AND SALE AGREEMENT

NORTH IDAHO RESORTS, LLC, an Idaho limited liability company ("**Seller**") and PEND OREILLE BONNER DEVELOPMENT HOLDINGS, INC., a Nevada corporation ("**Buyer**"), hereby acknowledge and agree as follows:

1. Seller and Buyer have entered into a written agreement entitled *Third Amended and Restated Real Property Purchase and Sale Agreement* with the effective date of March 9, 2006. Said agreement is unrecorded.

2. Said agreement concerns the real property (the "**Property**") located in the County of Bonner, State of Idaho. The Property is described in said agreement and on Exhibit One hereto.

3. Seller hereby agrees to sell the Property to Buyer, and Buyer hereby agrees to purchase the Property from Seller, all pursuant to the provisions of said unrecorded written agreement.

[SIGNATURE BLOCK ON NEXT PAGE]


Exhibit
"CC-B"

IN WITNESS WHEREOF, Seller and Buyer have executed
this Memorandum as of the date first above written.

SELLER

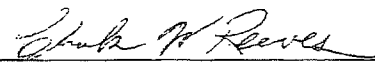
North Idaho Resorts, LLC
an Idaho limited liability company

By Villelli Enterprises Inc.
a California corporation
Managing Member

By 
Richard A. Villelli, President

BUYER

PEND OREILLE BONNER DEVELOPMENT HOLDINGS INC.,
a Nevada corporation

By 
Charles W. Reeves
President

S E OF IDAHO

SS

COUNTY OF Bonner

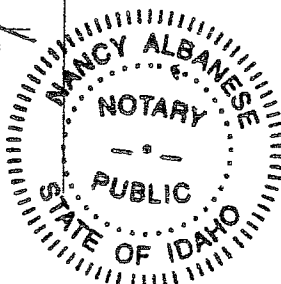
On 14th day of June, 2006, before me, the undersigned, a Notary Public in and for the said State, personally appeared Richard A. Vitelli known or identified to me to be the President

of the corporation that executed this instrument or the person/s whose executed the instrument on behalf of said corporation and acknowledged to me that said corporation executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my seal the day and year in this certificate first above written.

Nancy Albanese
Notary Public in and for said County and State

Residing at: Sandpoint
Commission Exp.: 1-31-11



RECORDING DATA:

STATE OF IDAHO

SS

COUNTY OF Bonner

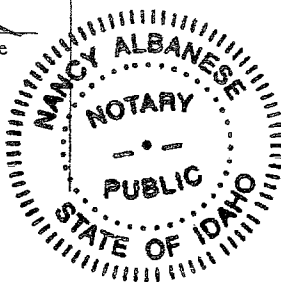
On 14th day of June, 2006, before me, the undersigned, a Notary Public in and for the said State, personally appeared Charles W. Reeves known or identified to me to be the President

of the corporation that executed this instrument or the person/s whose executed the instrument on behalf of said corporation and acknowledged to me that said corporation executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my seal the day and year in this certificate first above written.

Nancy Albanese
Notary Public in and for said County and State

Residing at: Sandpoint
Commission Exp.: 1-31-11



SCHEDULE B-Part II - continued

Transnation Title Insurance Company

Commitment No. 00041847

THIS REPORT IS DIVIDED INTO 4 SECTIONS WITH MULTIPLE PARCELS WITHIN EACH SECTION, THE FOLLOWING SECTIONS REPRESENT FOUR DIFFERENT LOCATIONS:

SECTION A:

HIDDEN LAKES GOLF COURSE, LODGE, PARKING AREAS AND MAINTENANCE AREAS.

SECTION B:

HIGHLANDS AREA PLATTED LOTS WEST OF LOWER PACK RIVER ROAD.

SECTION C:

MOOSE MOUNTAIN LARGE ACREAGE FOR DEVELOPMENT SOUTH OF HIGHWAY 200.

SECTION D:

IDAHO RESORT AREA ON THE WATERS OF LAKE PEND OREILLE AT TRESTLE CREEK.

Transnation Title Insurance Company

Exhibit A

SECTION A:

PARCEL 1:

A tract of land located in Section 36, Township 58 North, Range 1 West AND Section 31, Township 58 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, more particularly described as follows:

That portion of said Sections 36 and 31 lying East of Pack River Road, a county road, West of the Pack River, North of State Highway No. 200, and South of the South line of Government Lot 1 of said Section 31 and South of the South line of the Northeast quarter of the Northeast quarter of said Section 36;

LESS that land included in the Plat of Hidden Lakes Subdivision as recorded in Book 4 of Plats, page 64, records of Bonner County, Idaho.

ALSO LESS a parcel of land in Section 36, Township 58 North, Range 1 West of the Boise Meridian, Bonner County, Idaho more particularly described as follows:

Commencing at the Southeast corner of said Section 36;

Thence North $52^{\circ} 11'33''$ West 953.40 feet (record per Instrument No. 457973 = North $54^{\circ} 29'10''$ West, 1010.58 feet) to a point on the Northerly right of way of State Highway No. 200 and the true point of beginning;

Thence North $01^{\circ} 19'29''$ West, 244.70 feet (record per Instrument No. 457973 = North $01^{\circ} 07'07''$ East, 244.28 feet);

Thence South $88^{\circ} 04'08''$ West, 348.50 feet (record per Instrument No. 457973 = South $87^{\circ} 52'03''$ West, 348.49 feet)

Thence South $01^{\circ} 19'12''$ West, 250.00 feet (record per Instrument No. 457973 = South $01^{\circ} 07'07''$ West, 250.00 feet) to the Northerly right of way of State Highway No. 200;

Thence along said right of way North $80^{\circ} 34'19''$ East 66.04 feet (record per Instrument No. 457973 = North $79^{\circ} 46'41''$ East, 66.62 feet);

Thence on a curve to the right having a central angle of $05^{\circ} 47'35''$ and a radius of 2803.37 feet, for an arc distance of 283.45 feet (record per Instrument No. 457973 = a central angle of $05^{\circ} 47'02''$ and an arc length of 282.99 feet) to the true point of beginning.

LESS a tract of land in Government Lot 2 of Section 31, Township 58 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, more particularly described as follows:

Beginning at the intersection of the North line of said Government Lot 2 and an existing fence line marking the right of way of an old County Road, said point being South $89^{\circ} 06'38''$ East, 398.07 feet from the Northwest corner of Government Lot 2 (record = 361.00 feet);

Thence along said fence line as noted of record per Instrument No. 217765 on a curve to the left (radial bearing = North $62^{\circ} 13'42''$ East) having a central angle of $19^{\circ} 17'35''$ and a radius of 650.32 feet, for an arc distance of 218.98 feet (chord = South $37^{\circ} 25'05''$ East, 217.95 feet);

Thence continuing along said fence line, South $47^{\circ} 03'53''$ East, 43.24 feet;

hence North $89^{\circ} 06'38''$ West, 12.33 feet;

Transnation Title Insurance Company

Thence continuing along the fence line, South 59° 55'24" East, 65.99 feet to an iron pipe as described in Instrument No. 217765;

Thence along the fence line, South 70° 07'45" East, 262.49 feet to an iron pipe as described in Instrument No. 217765 (record = South 70° 18'00" East 262.00 feet;

Thence South 54° 48'04" East, 67.00 feet;

Thence North 40° 08'56" East, 168.45 feet to the right bank of Pack River (record = 200.00 feet to the thread of Pack River);

Thence North 40° 08'56" East to the intersection with the thread of Pack River;

Thence Northerly and upstream along the thread line of Pack River to the intersection with the North line of Government Lot 2 of said Section 31;

Thence South 89° 06'38" East, along said North line to the true point of beginning.

LESS any part of the above described property lying North and East of Pack River.

LESS a tract of land in Government Lots 1 and 2 of Section 31, Township 58 North, Range 1 East and the Southeast quarter of the Northeast quarter of Section 36, Township 58 North, Range 1 West of the Boise Meridian, Bonner County, Idaho and more particularly described as follows:

Mary's Pack River Lots and all that property dedicated to the public for right of way as shown and recorded in Instrument No. 699091, records of Bonner County, Idaho.

PARCEL 2:

A tract of land located in Section 36, Township 58 North, Range 1 West AND Section 2, Township 57 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, more fully described as follows:

Beginning at a point that is North 80 degrees 05' 57" East, a distance of 386.02 feet from the South quarter corner of said Section 36, said point also being at the intersection of the South right of way of State Highway No. 200 and the East right of way of the Old Country Road;

thence South 5 degrees 14' 00" East along said East right of way of the old country road, a distance of 171.80 feet;

thence continuing South 14 degrees 35' 50" East along said East right of way, a distance of 254.70 feet to an intersection with the North right of way of Old Highway No. 200 (FAP No. 95F);

thence North 72 degrees 38' 24" East along said North right of way, a distance of 372.40 feet;

thence continuing along said North right of way, North 72 degrees 58' 33" East, a distance of 336.00 feet to an intersection with the West high bank of Dry Creek;

thence Northeasterly along said West high bank, a distance of 578 feet, more or less, to an intersection with the South right of way of said State Highway No. 200;

thence Westerly along said South right of way the following six (6) courses:

1) Around a curve to the left with a radius of 2643.37 feet, a distance of 48.44 feet (the chord of which bears South 88 degrees 02' 31" West, a distance of 48.43 feet);

2) North 79 degrees 07' 52" West, 100.50 feet;

Transnation Title Insurance Company

- 3) Around a curve to the left with a radius of 2668.37 feet, a distance of 247.30 feet (the chord of which bears South 82 degrees 54' 00" West, a distance of 247.24 feet) to a P.S.C.;
- 4) Along a spiral curve (S=2 degrees 12.3'), a distance of 207.68 feet (the chord of which bears South 70 degrees 27' 12" West, a distance of 207.67 feet) to a P.S.;
- 5) South 69 degrees 43' 21" West, 328.60 feet;
- 6) South 61 degrees 11' 30" West, 119.79 feet to the point of beginning.

AND TOGETHER WITH any portion of the old Highway right of way abandonment, described in that certain Quit Claim Deed, executed by the State of Idaho, as Instrument No. 696025 and recorded on January 11, 2006, lying within the bounds of the above described property

PARCEL 3:

A tract of land in Government Lot 1 of Section 31, Township 58 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, being that property described in Instrument No. 484825 and more particularly described as follows:

Beginning at a point on the South line of said Government Lot 1, which is South 89° 06'38" East (record = South 89° 06'55" East) 330.00 feet from the Southwest corner of Government Lot 1, marked by a brass cap stamped RLS 974;

Thence parallel to the West line of the Section, North 00° 07'21" East, 118.03 feet;

Thence in a Southeasterly direction on a curve to the right (radial bearing = South 50° 01'02" West) having a central angle of 12° 44'09" and a radius of 233.31 feet, for an arc distance of 51.86 feet (chord = South 33° 36'53" East, 51.76 feet);

Thence South 27° 14'49" East, 79.53 feet;

Thence on a curve to the left (radial bearing = North 62° 45'11" East) having a central angle of 00° 31'29" (record = 00° 31'25") and a radius of 650.32 feet for an arc distance of 5.95 (record = 5.94 feet) feet (chord = South 27° 30'31" East, 5.95 feet), to the South line of Government Lot 1;

Thence along said South line North 89° 06'38" West (record = North 89° 06'55" West), 68.07 feet to the true point of beginning.

PARCEL 4:

A tract of land in Government Lot 1 of Section 31, Township 58 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, being that property described in Instrument No. 495753 and more particularly described as follows:

Beginning at a point on the South line of said Government Lot 1, which is South 89° 06'38" East (record = South 89° 06'55" East) 330.00 feet from the Southwest corner of Government Lot 1, marked by a brass cap stamped RLS 974;

Thence parallel to the West line of the Section North 00° 07'21" East, 118.03 feet;

Thence on a curve to the left (radial bearing = South 50° 01'02" West) having a central angle of 04° 01'30" and a radius of 233.31 feet, for an arc distance of 16.39 feet (chord = North 41° 59'43" West 16.39 feet)

Thence North 44° 00'29" West 23.17 feet to the Southeasterly right of way of the Lower Pack River Road;

Transnation Title Insurance Company

Thence along said right of way on a curve to the right (radial bearing = North 53° 09'38" West) having a central angle of 12° 32'30" and a radius of 275.00 feet, for an arc distance of 60.20 feet (chord = South 43° 06'37" West, 60.08 feet);

Thence leaving said right of way, South 44° 00'28" East, 20.15 feet;

Thence on a curve to the right having a central angle of 16° 45'40" and a radius of 173.31 feet, for an arc distance of 50.70 feet (chord = South 35° 37'39" East 50.52 feet);

Thence South 27° 14'49" East, 53.38 feet to the true point of beginning

PARCEL 5:

A tract of land in Government Lot 2 of Section 31, Township 58 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, being that property described in Instrument No. 495753 and more particularly described as follows:

Beginning at a point on the West line of said Government Lot 2 (West line of Section 31) which is South 00° 07'21" West, 200.00 feet from the Northwest corner of said Government Lot 2;

Thence parallel to the North line of Government Lot 2, South 89° 06'38" East (record = South 89° 06'55" East) 562.61 feet (record = 562.58 feet);

Thence North 47° 03'53" West, 43.24 feet (record = 43.21 feet);

Thence on a curve to the right having a central angle of 19° 17'35" (record = 19° 17'39") and a radius of 650.32 feet, for an arc distance of 218.98 feet (chord = North 37° 25'03" West 271.95 feet) to the North line of Government Lot 2;

Thence along said North line North 89° 06'38" West (record = North 89° 06'55" West) 68.07 feet;

Thence South 27° 14'49" East 26.15 feet;

Thence on a curve to the left having a central angle of 09° 49'00" and a radius of 710.32 feet, for an arc distance of 121.70 feet (chord = South 32° 09'19" East, 121.55 feet);

Thence South 80° 25'01" West 412.81 feet (record = South 80° 24'50" West 412.82 feet) to the point of beginning.

EXCEPTING from Parcels 1, 3, 4 and 5, the following two tracts:

Any portion encompassed by the Plat of GOLDEN TEE ESTATES PLANNED UNIT DEVELOPMENT (PHASE ONE), according to the plat thereof, recorded in Book 6 of Plats, Page 108, records of Bonner County, Idaho.

AND any portion encompassed by the Plat of GOLDEN TEE ESTATES FIRST ADDITION, (PHASE TWO) according to the plat thereof, recorded in Book 6 of Plats, Page 114, records of Bonner County, Idaho.

PARCEL 6:

Block 5 in GOLDEN TEE ESTATES PLANNED UNIT DEVELOPMENT (PHASE ONE), according to the plat thereof, recorded in Book 6 of Plats, Page 108, records of Bonner County, Idaho.

PARCEL 7:

The Club House, and the Parking Lot in Block 12, as they are shown and depicted in GOLDEN TEES ESTATES FIRST ADDITION (PHASE TWO), according to the plat thereof, recorded in Book 6 of Plats, Page 114, records of Bonner County, Idaho.

PARCEL 8:



Transnation Title Insurance Company

Maintenance Lot, Block 14, GOLDEN TEES ESTATES FIRST ADDITION (PHASE TWO) according to the plat thereof, recorded in Book 6 of Plats, Page 114, records of Bonner County, Idaho.

PARCEL 9:

Lot 2 Block 3 in GOLDEN TEES ESTATES PLANNED UNIT DEVELOPMENT (PHASE ONE), according to the plat thereof, recorded in Book 6 of Plats, Page 108, records of Bonner County, Idaho.

PARCEL 10:

Lot 13, Block 13 and the Golf Course Area as shown and depicted in Block 12 of GOLDEN TEES ESTATES FIRST ADDITION (PHASE TWO) according to the plat thereof, recorded in Book 6 of Plats, Page 114, records of Bonner County, Idaho.

PARCEL 11:

Open space Lots shown as Lots 1 And 5 and Stormwater Lot, Block 4 and Stormwater Lot, Block 2 of GOLDEN TEE ESTATES PLANNED UNIT DEVELOPMENT (PHASE ONE), according to the Plat thereof, recorded in Book 6 of Plats, page 108, records of Bonner County, Idaho.

Open space Lots 1 and 4, Block 6 and open space Lot 1, Block 7, open space Lot 1, Block 9, GOLDEN TEE ESTATES 1ST ADDITION PLANNED UNIT DEVELOPMENT (PHASE TWO), according to the plat thereof, recorded in Book 6 of Plats, Page 114, records of Bonner County, Idaho.

PARCEL 12:

Open space Lot 1, of Block 8, GOLDEN TEE ESTATES FIRST ADDITION PUD (PHASE TWO), according to the plat thereof, recorded in Book 6 of Plats, Page 114, records of Bonner County, Idaho

PARCEL 13:

Lot 1, Block 11 in GOLDEN TEES ESTATE FIRST ADDITION (PHASE TWO), according to the plat thereof, recorded in Book 6 of Plats, Page 114, records of Bonner County, Idaho.

PARCEL 14:

All Private roads in GOLDEN TEE ESTATES PLANNED UNIT DEVELOPMENT (PHASE ONE), according to the plat thereof, recorded in Book 6 of Plats, Page 108, records of Bonner County, Idaho.

PARCEL 15:

All private roads in GOLDEN TEES ESTATES FIRST ADDITION (PHASE TWO), according to the plat thereof, recorded in Book 6 of Plats, Page 114, records of Bonner County, Idaho.

SECTION B:

PARCEL 1:

Lot 1 in Block 1 of the FIRST ADDITION TO HIDDEN LAKES, according to the plat thereof, recorded in Book 4 of Plats, page 161, records of Bonner County, Idaho.

PARCEL 2:

Lots 2, 3, 4, 5 in Block 2 of the SECOND ADDITION TO HIDDEN LAKES SUBDIVISION, according to the plat thereof, recorded in Book 5 of Plats, Page 58, records of Bonner County, Idaho.

Transnation Title Insurance Company

PARCEL 3:

A tract of land in the East half of the Northeast quarter of the Southwest quarter and the Northwest quarter of the Southeast quarter of Section 36, Township 58 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, more particularly described as follows:

Beginning at the Southeast corner of the East half of the Northeast quarter of the Southwest quarter of said Section 36;

Thence along the South line of the East half of the Northeast quarter of the Southwest quarter, North 89° 36'27" West, 661.51 feet (record = North 89° 37'10" West, 661.57 feet to the Southwest corner of the East half of the Northeast quarter of the Southwest quarter;

Thence along the West line of the East half of the Northeast quarter of the Southwest quarter, North 00° 10'22" East 856.45 feet (record = North 00° 09'25" East, 856.45 feet);

Thence North 89° 10'53" East, 30.21 feet (record = East, 29.58 feet) to the Westerly right of way of Berry Drive (shown as Olympic Drive on the Second Addition Plat to Hidden Lakes);

Thence Southeasterly along said right of way the following six (6) courses:

1. on a non tangential curve to the left (radial bearing = North 87° 39'13" East) having a central angle of 36° 44'06" and a radius of 131.00 feet for an arc distance of 83.99 feet (record = 84.54 feet) (chord = South 20° 42'50" East, 82.56 feet - record = South 20° 37'27" East, 83.08 feet);

2. thence South 39° 04'53" East, 419.67 feet (record = South 39° 06'45" East, 419.68 feet);

3. thence on a curve to the left having a central angle of 11° 42'45" and a radius of 530.00 feet for an arc distance of 108.34 feet (chord = South 44° 56'16" East, 108.15 feet - record = South 44° 58'08" East, 108.16 feet);

4. thence South 50° 47'39" East, 69.68 feet (record = South 50° 49'31" East, 69.68 feet);

5. thence on a curve to the right having a central angle of 23° 42'51" and a radius of 970.00 feet, for an arc distance of 401.47 feet (chord = South 38° 56'14" East, 398.61 feet - record = South 38° 58'05" East 398.61 feet);

6. thence South 27° 04'48" East, 31.65 feet to the South line of the Northwest quarter of the Southeast quarter (record = South 27° 06'40" East, 30.77 feet);

thence leaving said right of way North 89° 36'03" West, 60.37 feet (record = North 89° 37'09" West, 59.55 feet) to the point of beginning.

PARCEL 4:

A tract of land located in a portion of the Southwest quarter of the Southeast quarter of Section 36, Township 58 North, Range 1 West, Boise Meridian, Bonner County, Idaho, more particularly described as follows:

Beginning at the Northwest corner of said Southwest quarter of the Southeast quarter of Section 36;

Thence South 89° 36'03" East 60.37 feet (record = South 89° 37'09" East, 59.55 feet) to the Westerly right of way of Berry Drive (shown as Olympic Drive on the Plat of the Second Addition to Hidden Lakes);

Thence along said right of way for the following four (4) courses:

1. South 27° 04'48" East, 299.95 feet (record = South 27° 06'40" East, 300.83 feet);

2. North 62° 53'12" East, 60.00 feet (record = North 62° 53'20" East, 60.00 feet);

Transnation Title Insurance Company

3. North $27^{\circ} 04'48''$ West, 125.34 feet (record = North $27^{\circ} 06'40''$ West, 125.34 feet):

4. thence on a curve to the right having a central angle of $79^{\circ} 01'27''$ and a radius of 25.00 feet, for an arc distance of 34.48 feet (chord = North $12^{\circ} 25'55''$ East, 31.81 feet - record = North $12^{\circ} 24'03''$ East, 31.81 feet) to a point on the Southerly right of way of Fairway View Drive, as shown on the Plat of First Addition to Hidden Lakes;

thence along said right of way for the following eight (8) courses:

1. North $51^{\circ} 56'39''$ East, 74.67 feet (record = North $51^{\circ} 54'47''$ East, 74.67 feet);

2. thence on a curve to the right having a central angle of $99^{\circ} 26'33''$ and a radius of 70.00 feet, for an arc distance of 121.49 feet (chord = South $78^{\circ} 20'05''$ East, 106.81 feet - record = South $78^{\circ} 21'57''$ East, 106.81 feet);

3. thence South $28^{\circ} 36'48''$ East, 154.03 feet (record = South $28^{\circ} 38'40''$ East, 154.03 feet);

4. thence on a curve to the right having a central angle of $55^{\circ} 41'27''$ and a radius of 90.00 feet for an arc distance of 87.48 feet (chord = South $00^{\circ} 46'05''$ East, 84.08 feet - record = South $00^{\circ} 47'56''$ East, 84.08 feet);

5. thence South $27^{\circ} 04'39''$ West, 170.14 feet;

6. thence on a curve to the right having a central angle of $71^{\circ} 37'11''$ and a radius of 60.0 feet, for an arc distance of 75.00 feet (chord = South $08^{\circ} 43'57''$ East, 70.21 feet);

7. thence South $44^{\circ} 32'32''$ East, 50.94 feet;

8. thence on a curve to the right having a central angle of $69^{\circ} 10'16''$ and a radius of 25.00 feet, for an arc distance of 30.18 feet (chord = South $09^{\circ} 57'24''$ East, 28.38 feet - record = South $11^{\circ} 23'51''$ East, 30.18 feet) to a point on the West right of way of Lower Pack River Road:

thence Southerly along said right of way for the following four (4) courses:

1. on a non tangential curve to the right having a central angle of $04^{\circ} 15'19''$ and a radius of 1180.00 feet for an arc distance of 87.69 feet (chord = South $22^{\circ} 30'38''$ West, 87.67 feet);

2. thence South $20^{\circ} 22'44''$ West, 114.57 feet;

3. thence on a curve to the left having a central angle of $22^{\circ} 29'50''$ and a radius of 502.65 feet, for an arc distance of 197.36 feet (chord = South $09^{\circ} 07'49''$ West, 196.10 feet)

4. thence South $02^{\circ} 07'06''$ East, 157.81 feet to the Northerly right of way of State Highway No. 200;

thence along the highway right of way, South $77^{\circ} 42'28''$ West, 72.14 feet (record = South $78^{\circ} 15'06''$ West, 71.11 feet);

thence continuing along the Highway right of way, South $69^{\circ} 44'57''$ West, 262.22 feet (record = South $69^{\circ} 43'16''$ West, 261.65 feet) to the West line of the Southwest quarter of the Southeast quarter of said Section 36;

thence along the West line of the Southwest quarter of the Southeast quarter, North $00^{\circ} 08'19''$ East, 1223.36 feet (record = North $00^{\circ} 07'13''$ East, 1223.17 feet) to the point of beginning.

PARCEL 5:

That portion of the Southeast quarter of the Northeast quarter of Section 36, Township 58 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, lying West of the Lower Pack River Road,

EXCEPT the First Addition to Hidden Lakes Subdivision, according to the plat thereof, recorded in Book 4 of Plats, Page 161, records of Bonner County, Idaho.

SECTION C:

All that portion of the Southeast Quarter in Section 36, Township 58 North, Range 1 West, Boise Meridian, Bonner County, Idaho, lying South of State Highway 200; and all that portion of Government Lot 4 in Section 31, Township 58 North, Range 1 East, Boise Meridian, Bonner County, Idaho, lying South of State Highway 200;

LESS the following described property:

A tract of land in the Southeast quarter of Section 36, Township 58 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, being that property described in Instrument No. 92981, records of Bonner County, Idaho and more particularly described as follows:

Commencing at the Southeast corner of said Section 36;

Thence along the East line of Section 36, North $00^{\circ} 08' 06''$ East, 460.00 feet;

Thence perpendicular to the East line of the Section, North $89^{\circ} 51' 54''$ West, 568.00 feet to the true point of beginning;

Thence South $47^{\circ} 08' 06''$ West, 250.00 feet;

Thence South $42^{\circ} 51' 54''$ East, 348.50 feet;

Thence North $47^{\circ} 48' 06''$ East, 250.00 feet;

Thence North $42^{\circ} 51' 54''$ West, 348.50 feet to the true point of beginning.

AND

All that portion of Government Lots 2, 3, 4, 5, 6, 7, 8 and 9; the Southwest quarter of the Northeast quarter; and the South half of the Northwest quarter of Section 2, Township 57 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, lying South of State Highway No. 200 and lying North and East of the Northern Pacific Railroad (now Montana Rail Link) right of way.

LESS that portion of Section 2, Township 57 North, Range 1 West of the Boise Meridian, Bonner County, Idaho; being that property described in Instrument No. 592059 and more particularly described as follows:

Beginning at a right of way monument on the South right of way of State Highway No. 200, from which the Northwest corner of said Section 2 bears North $25^{\circ} 54' 43''$ West, 798.00 feet (record = North $26^{\circ} 28' 08''$ West, 798.11 feet);

Thence along the South right of way of the Highway, North $68^{\circ} 35' 39''$ East, 266.10 feet;

Thence continuing along the Highway right of way, on a curve to the left (radial bearing = North $14^{\circ} 03' 28''$ West) having a central angle of $00^{\circ} 08' 55''$ and a radius of 5799.58 feet for an arc distance of 15.03 feet (chord = North $75^{\circ} 52' 05''$ East, 15.03 feet - total distance along right of way from point of beginning = 281.13 feet - record = 281.13 feet);

thence leaving said right of way South $00^{\circ} 04' 10''$ West, 725.53 feet;

Thence North $89^{\circ} 14' 40''$ West, 330.00 feet;

Thence North $00^{\circ} 03' 26''$ West 607.20 feet, to the Southerly right of way of State Highway No. 200;

Thence along said right of way North $79^{\circ} 11' 55''$ East, 70.38 feet to the true point of beginning.

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LESS a tract of land located in Section 36, Township 58 North, Range 1 West and Section 2, Township 57 North, Range 1 West of the Boise Meridian, Bonner County, Idaho; being a portion of that property described in Instrument No. 464572 and more particularly described as follows:

Beginning at a point that is North 80° 05'57" East 386.02 feet from the South quarter of said Section 36, said point also being at the intersection of the South right of way of State Highway No. 200 and the East right of way of the Old County Road;

Thence South 05° 14'00" East along the East right of way of the Old County Road, 171.80 feet;

Thence continuing South 14° 35'50" East along said East right of way, 254.70 feet to the intersection with the North right of way of Old Highway 200 (FAP No. 95F);

Thence North 72° 38'24" East along said North right of way, 372.40 feet;

Thence continuing along said North right of way, North 72° 58'33" East, 336.00 feet to the intersection with the West high bank of Dry Creek;

Thence Northeasterly along said West high bank, a distance of 578 feet, more or less, to the intersection with the South right of way of State Highway No. 200;

Thence Westerly along said South right of way the following six (6) courses:

1. around a curve to the left with a radius of 2643.37 feet, a distance of 48.44 feet (chord = South 88° 02'31" West, 48.43 feet);
2. North 79° 07'52" West, 100.50 feet;
3. around a curve to the left with a radius of 2668.37 feet for a distance of 247.30 feet (chord = South 82° 54'00" West, 247.24 feet);
4. along a spiral curve (South = 02° 12'18"), a distance of 207.68 feet (chord = South 70° 27'12" West, 207.67 feet);
5. South 69° 43'21" West, 328.60 feet;
6. South 61° 11'30" West, 119.79 feet to the point of beginning.

TOGETHER WITH any portion of the old highway right of way abandonment described in that certain Quitclaim Deed, executed by the State of Idaho, as Instrument No. 696025 and recorded on January 11, 2006, and lying within the bounds of the above described property.

AND

Government Lots 5, 9, 10 and 11; the Southeast quarter of the Northwest quarter; the East half of the Southwest quarter; and Government Lot 6, all in Section 6, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho.

LESS that property described in Instrument No. 22533, records of Bonner County, Idaho, and described as follows:

Beginning at the North quarter corner of said Section 6, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho;

Thence South 1669.70 feet to Pack River and the True Point of Beginning;

Thence South 66° 47' West, 203 feet;

Thence South 69° 54' West 165.3 feet;

Thence South 79° 56' West, 242.5 feet;

Thence South 01° 11' East, 146 feet;

Thence South 25° 18' East, 118.20 feet;

Thence South 54° 29' East, 137.2 feet;

Thence South 68° 10' East, 267.1 feet;

Thence North 535.6 feet to a point 1669.7 feet South of the North quarter corner of Section 6.

LESS a tract of land in Government Lot 6 and the Southeast quarter of the Northwest quarter of Section 6, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, being that property identified as Tract No. Q-1755-2 in Instrument No. 42975 and more particularly described as follows:

Beginning at a point on the Southerly right of way of State Highway No. 200 which is South 55° 03'21" East, 2460.29 feet from the Northwest corner of said Section 6 (record = South 55° 14' East, 2451.3);

Thence South 14° 53'00" East, 223.22 feet (record);

Thence South 04° 43'00" East, 640.00 feet (record);

Thence South 39° 48'00" East, 430.00 feet (record);

Thence South 30° 28'00" East, 387.49 feet (record = 500 feet plus or minus) to the East line of the Southeast quarter of the Northwest quarter of said Section 6.

TOGETHER WITH any portion of the Old Highway right of way abandonment described in that certain Quitclaim Deed, executed by the State of Idaho, as Instrument No. 696025 and recorded on January 11, 2006, lying within the bounds of the above described property

SECTION D:

PARCEL 1:

That portion of the Southwest quarter of the Southwest quarter of Section 16, Township 57 North, Range 1 East, Boise Meridian, lying West of the State Highway No. 200 right of way and East of the Northern Pacific Railway right of way; and lying North of the North line of the following described tract:

Beginning at a point where the Section line between Sections 16 and 21, Township 57 North, Range 1 West, Boise Meridian, intersects the State Highway on the Westerly side as it now exists;

thence in a Northwesterly direction along the Westerly side of said Highway, 752 feet;

thence in a Southwesterly direction, 97 feet;

thence in a Southeasterly direction, 672 feet to the Section line between Sections 16 and 21;

thence East on said Section line between said Sections 16 and 21, 104.25 feet, more or less, to the place of beginning.

SAID parcel is now described as follows:

A tract of land situated in the Southwest quarter of the Southwest quarter of Section 16, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, lying Southwest of the right of way of State Highway No. 200 and Northeast of the right of way of Montana Rail Link Railway; being a portion of that property described as Parcel 1 of Instrument No. 168846 and more particularly described as follows:

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Commencing at the intersection of the South line of the Southwest quarter of the Southwest quarter of Section 16 and the Northeasterly right of way of Montana Rail Link Railway which is South $88^{\circ} 10' 56''$ East, 944.95 feet from the Southwest corner of Section 16;

Thence leaving said South line and along said right of way North $23^{\circ} 38' 59''$ West, 672.00 feet to the true point of beginning;

Thence continuing along said right of way North $23^{\circ} 38' 59''$ West, 786.99 feet to the intersection with the North line of the Southwest quarter of the Southwest quarter;

Thence leaving said right of way and along said North line South $88^{\circ} 43' 23''$ East, 241.38 feet to the Westerly right of way of State Highway No. 200;

Thence leaving said North line and along said right of way the following four (4) courses:

on a non-tangential curve to the right having a central angle of $01^{\circ} 19' 25''$ (radial bearing = South $73^{\circ} 15' 16''$ West), a radius of 768.50 feet, for an arc length of 17.75 feet (chord = South $16^{\circ} 06' 41''$ East, 17.75 feet);

Thence along a line offset 50.00 feet Westerly of and parallel to a spiral curve (centerline $ls = 200$ feet, $a = 3.5$, $S = 7^{\circ}$) for a chord of South $10^{\circ} 43' 01''$ East 193.87 feet);

Thence South $08^{\circ} 25' 19''$ East, 86.06 feet;

Thence on a curve to the left having a central angle of $13^{\circ} 56' 48''$, a radius of 1482.53 feet, for an arc length of 360.87 feet (chord = South $15^{\circ} 23' 43''$ East, 359.98 feet);

Thence leaving said right of way South $44^{\circ} 37' 10''$ West, 106.45 feet (record = "Southwesterly 97 feet") to the true point of beginning.

PARCEL 2:

That part of the Southwest quarter of the Southwest quarter in Section 16, Township 57 North, Range 1 East of the Boise Meridian, lying South and West of the Burlington Northern Inc. Railway right of way and Government Lot 5 in Section 17, Township 57 North, Range 1 East, of the Boise Meridian, save and excepting therefrom:

The South 350 feet of Government Lot 5 in said Section 17, and also that part of the Southwest quarter of the Southwest quarter in said Section 16 lying Westerly of said Burlington Northern Inc. right of way as now in use and described as follows:

Beginning at the Southwest corner of said Section 16;

thence North along the West Section line 350 feet;

thence East to the centerline of Trestle Creek;

thence Southeasterly along said centerline to the South line of Section 16;

thence West along the Section line 720 feet, more or less, to the point of beginning.

SAID parcel is now described as follows:

A tract of land situated in the Southwest quarter of the Southwest quarter of Section 16, lying Southwest of Montana Rail Link Railroad right of way and Government Lot 5 of Section 17, all in Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho; being a portion of that property described as Parcel 2 of Instrument No. 168846 and more particularly described as follows:



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Beginning at the intersection of the South line of the Southwest quarter of the Southwest quarter of Section 16 and the Southwesterly right of way of Montana Rail Link Railway which is South $88^{\circ} 10'56''$ East, 834.19 feet from the Southwest corner of Section 16;

Thence leaving said South line and along said right of way North $23^{\circ} 38'59''$ West, 1457.84 feet to the intersection with the North line of the Southwest quarter of the Southwest quarter;

Thence leaving said right of way and along the North line of the Southwest quarter of the Southwest quarter, North $88^{\circ} 43'23''$ West, 243.71 feet to the Northwest corner of the Southwest quarter of the Southwest quarter;

Thence along the North line of Government Lot 5 in Section 17, North $89^{\circ} 23'45''$ West, 1223.84 feet to the meander line of Lake Pend Oreille, as defined by the original GLO Survey;

Thence leaving said North line and along said meander line the following two (2) course:

South $52^{\circ} 55'48''$ East, 561.00 feet;

Thence South $37^{\circ} 55'48''$ East, 798.96 feet to a point on a line lying 350.00 feet North of and parallel to the South line of the Southwest quarter of the Southwest quarter of Section 16;

Thence along said parallel line, South $88^{\circ} 10'56''$ East, 281.27 feet to the West line of the said Southwest quarter of the Southwest quarter;

Thence continuing South $88^{\circ} 10'56''$ East, 159.02 feet to the intersection with the centerline of Trestle Creek;

Thence along the centerline of Trestle Creek the following eight (8) courses:

South $52^{\circ} 54'34''$ East, 63.58 feet;

Thence South $44^{\circ} 37'26''$ East, 117.83 feet;

Thence South $42^{\circ} 08'45''$ East, 77.28 feet;

Thence South $80^{\circ} 05'07''$ East, 145.49 feet;

Thence South $55^{\circ} 15'32''$ East, 86.34 feet;

Thence South $46^{\circ} 56'31''$ East, 113.98 feet;

Thence South $75^{\circ} 43'10''$ East, 58.83 feet;

Thence South $37^{\circ} 48'28''$ East, 27.37 feet to the intersection with the South line of the Southwest quarter of the Southwest quarter;

Thence leaving said creek centerline and along said South line South $88^{\circ} 10'56''$ East, 116.80 feet to the true point of beginning.

PARCEL 3:

A portion of the Northeast quarter of the Northwest quarter and Government Lot 1 of Section 21, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho, described as follows:

Beginning at a point where the South line of the Northeast quarter of the Northwest quarter of Section 21, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, intersects the West line of the Northern Pacific Railroad Company right of way;



Transnation Title Insurance Company

thence 600 feet Northerly along said railroad right of way;
thence West to the meander line of lake;
thence 600 feet Southerly to the South line of Lot 1 of said Section 21;
thence East to the Point of Beginning.

SAID parcel is now described as follows:

A tract of land situated in the Northeast quarter of the Northwest quarter and Government Lot 1 of Section 21, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, more particularly described as follows:

Beginning at the intersection of the South line of the Northeast quarter of the Northwest quarter of Section 21 and the Westerly right of way of Montana Rail Link Railroad which is South $88^{\circ} 55' 48''$ East, 139.54 feet from the Southwest corner of said Northeast quarter of the Northwest quarter;

Thence leaving said South line and along said right of way the following two (2) courses:

On a non-tangential curve to the left having a central angle of $10^{\circ} 44' 25''$ (radial bearing = South $65^{\circ} 01' 49''$ West) a radius of 2664.79 feet, for an arc length of 499.53 feet (chord = North $30^{\circ} 20' 24''$ West, 498.80 feet);

Thence North $25^{\circ} 10' 12''$ West, 100.47 feet;

Thence leaving said right of way and parallel to the South line of Government Lot 1, North $88^{\circ} 55' 48''$ West, 936.05 feet to the meander line of Lake Pend Oreille as defined in the original GLO Survey;

Thence along said meander line the following two (2) courses:

South $14^{\circ} 25' 48''$ East, 271.54 feet;

Thence South $46^{\circ} 40' 48''$ East, 378.00 feet to the intersection with the South line of Government Lot 1;

Thence along said South line South line South $88^{\circ} 55' 48''$ East, 748.52 feet to the Southeast corner of Government Lot 1;

Thence along the South line of the Northeast quarter of the Northwest quarter, South $88^{\circ} 55' 48''$ East, 139.54 feet to the true point of beginning.

Exhibit
" CC50 1

SANDPOINT TITLE INSURANCE

FILED BY

When Recorded Return to:

Sandpoint Title Insurance, Inc.
Nancy Albanese

724831 2007 MAR 15 4:32

MARIE SCOTT
BONNER COUNTY RECORDER

4924 NA

**Partial Termination of Real Property Purchase and Sale Agreement and Partial
Termination of Memorandum of Real Property Purchase and Sale Agreement**

This Partial Termination of Real Property Purchase and Sale Agreement and Partial Termination of Memorandum of Real Property Purchase and Sale Agreement is made effective as of this 14th day of March, 2007, by and between North Idaho Resorts, LLC, an Idaho limited liability company ("Seller"), and Pend Oreille Bonner Development Holdings, Inc., a Nevada corporation ("Buyer"), for the purpose of providing record notice that Seller and Buyer have partially terminated that certain Real Property Purchase and Sale Agreement and that certain Memorandum of Real Property Purchase and Sale Agreement recorded in on June 19, 2006 in Instrument No. 706475, Official Records of Bonner County, Idaho only as to the real property described in See Exhibit "A" attached hereto and by this reference made a part hereof. The partial termination of the Real Property Purchase and Sale Agreement and Memorandum of Real Property Purchase and Sale Agreement shall be recorded in Official Records of Bonner County, Idaho.

IN WITNESS WHEREOF, the parties have caused this Partial Termination of Real Property Purchase and Sale Agreement and Partial Termination of Memorandum of Real Property Purchase and Sale Agreement to become effective as of the day and year first above written.

Seller:

North Idaho Resorts, LLC
an Idaho limited liability company

By: Vilelli Enterprises Inc., a California corporation
Its: Managing Member

By: Richard A. Vilelli
Richard A. Vilelli
Its: President

Buyer:

Pend Oreille Bonner Development Holdings, Inc.
a Nevada corporation

By: Charles W. Reeves
Charles W. Reeves
Its: President

Exhibit

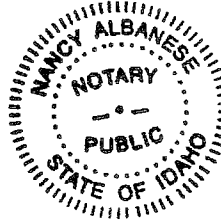
"CC-C"

STATE OF IDAHO)
) ss.
County of Bonner)

On this 15th day of March, 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared Richard A. Villelli, known or identified to me to be the President of the Corporation that executed this instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that said Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public: Nancy Albanese
Residing at: Sandpoint
Commission expires: 1-31-11



STATE OF IDAHO)
) ss.
County of Bonner)

On this 14th day of March, 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared Charles W. Reeves, known or identified to me to be the President of the Corporation that executed this instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that said Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public: Nancy Albanese
Residing at: Sandpoint
Commission expires: 1-31-11

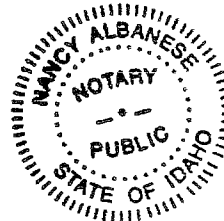


Exhibit "A"
Legal Description

Lot 10A, Block 2; Lots 2A, 3A and 4A, Block 4; Lot 2A, Block 7; Lots 2A and 3A, Block 9; Lot 1B, Block 10, of The Replat of Golden Tee Estates and Golden Tee Estates 1st Addition, according to the Plat thereof, recorded in Book 8 of Plats, Page 77, records of Bonner County, Idaho.

Escrow No. 49214-NA

EXHIBIT "A"
Legal Description

The land referred to in this document is situated in the State of Idaho, County of Bonner, and is described as follows:

SECTION A:

PARCEL 1:

A tract of land located in Section 36, Township 58 North, Range 1 West AND Section 31, Township 58 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, more particularly described as follows:

That portion of said Sections 36 and 31 lying East of Pack River Road, a county road, West of the Pack River, North of State Highway No. 200, and South of the South line of Government Lot 1 of said Section 31 and South of the South line of the Northeast quarter of the Northeast quarter of said Section 36;

LESS that land included in the Plat of Hidden Lakes Subdivision as recorded in Book 4 of Plats, page 64, records of Bonner County, Idaho.

ALSO LESS a parcel of land in Section 36, Township 58 North, Range 1 West of the Boise Meridian, Bonner County, Idaho more particularly described as follows:

Commencing at the Southeast corner of said Section 36;

Thence North 52° 11'33" West 953.40 feet (record per Instrument No. 457973 = North 54° 29'10" West, 1010.58 feet) to a point on the Northerly right of way of State Highway No. 200 and the true point of beginning;

Thence North 01° 19'29" West, 244.70 feet (record per Instrument No. 457973 = North 01° 07'07" East, 244.28 feet);

Thence South 88° 04'08" West, 348.50 feet (record per Instrument No. 457973 = South 87° 52'03" West, 348.49 feet)

Thence South 01° 19'12" West, 250.00 feet (record per Instrument No. 457973 = South 01° 07'07" West, 250.00 feet) to the Northerly right of way of State Highway No. 200;

Thence along said right of way North 80° 34'19" East 66.04 feet (record per Instrument No. 457973 = North 79° 46'41" East, 66.62 feet);

Thence on a curve to the right having a central angle of 05° 47'35" and a radius of 2803.37 feet, for an arc distance of 283.45 feet (record per Instrument No. 457973 = a central angle of 05° 47'02" and an arc length of 282.99 feet) to the true point of beginning.

LESS a tract of land in Government Lot 2 of Section 31, Township 58 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, more particularly described as follows:

Beginning at the intersection of the North line of said Government Lot 2 and an existing fence line marking the right of way of an old County Road, said point being South 89° 06'38" East, 398.07 feet from the Northwest corner of Government Lot 2 (record = 361.00 feet);

Thence along said fence line as noted of record per Instrument No. 217765 on a curve to the left (radial bearing = North 62° 13'42" East) having a central angle of 19° 17'35" and a radius of 650.32 feet, for an arc distance of 218.98 feet (chord = South 37° 25'05" East, 217.95 feet);

Thence continuing along said fence line, South 47° 03'53" East, 43.24 feet;

Thence North 89° 06'38" West, 12.33 feet;

Thence continuing along the fence line, South 59° 55'24" East, 65.99 feet to an iron pipe as described in Instrument No. 217765;

Thence along the fence line, South 70° 07'45" East, 262.49 feet to an iron pipe as described in Instrument No. 217765 (record = South 70° 18'00" East 262.00 feet;

Thence South 54° 48'04" East, 67.00 feet;

Thence North 40° 08'56" East, 168.45 feet to the right bank of Pack River (record = 200.00 feet to the thread of Pack River);

Thence North 40° 08'56" East to the intersection with the thread of Pack River;

Thence Northerly and upstream along the thread line of Pack River to the intersection with the North line of Government Lot 2 of said Section 31;

Thence South 89° 06'38" East, along said North line to the true point of beginning.

LESS any part of the above described property lying North and East of Pack River.

LESS a tract of land in Government Lots 1 and 2 of Section 31, Township 58 North, Range 1 East and the Southeast quarter of the Northeast quarter of Section 36, Township 58 North, Range 1 West of the Boise Meridian, Bonner County, Idaho and more particularly described as follows:

Mary's Pack River Lots and all that property dedicated to the public for right of way as shown and recorded in Instrument No. 699091, records of Bonner County, Idaho.

PARCEL 2:

A tract of land located in Section 36, Township 58 North, Range 1 West AND Section 2, Township 57 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, more fully described as follows:

Beginning at a point that is North 80 degrees 05' 57" East, a distance of 386.02 feet from the South quarter corner of said Section 36, said point also being at the intersection of the South right of way of State Highway No. 200 and the East right of way of the Old Country Road;

thence South 5 degrees 14' 00" East along said East right of way of the old country road, a distance of 171.80 feet;

thence continuing South 14 degrees 35' 50" East along said East right of way, a distance of 254.70 feet to an intersection with the North right of way of Old Highway No. 200 (FAP No. 95F);

thence North 72 degrees 38' 24" East along said North right of way, a distance of 372.40 feet;

thence continuing along said North right of way, North 72 degrees 58' 33" East, a distance of 336.00 feet to an intersection with the West high bank of Dry Creek;

thence Northeasterly along said West high bank, a distance of 578 feet, more or less, to an intersection with the South right of way of said State Highway No. 200;

thence Westerly along said South right of way the following six (6) courses:

- 1) Around a curve to the left with a radius of 2643.37 feet, a distance of 48.44 feet (the chord of which bears South 88 degrees 02' 31" West, a distance of 48.43 feet);
- 2) North 79 degrees 07' 52" West, 100.50 feet;
- 3) Around a curve to the left with a radius of 2668.37 feet, a distance of 247.30 feet (the chord of which bears South 82 degrees 54' 00" West, a distance of 247.24 feet) to a P.S.C.;
- 4) Along a spiral curve (S=2 degrees 12.3'), a distance of 207.68 feet (the chord of which bears South 70 degrees 27' 12" West, a distance of 207.67 feet) to a P.S.;
- 5) South 69 degrees 43' 21" West, 328.60 feet;
- 6) South 61 degrees 11' 30" West, 119.79 feet to the point of beginning.

AND TOGETHER WITH any portion of the old Highway right of way abandonment, described in that certain Quit Claim Deed, executed by the State of Idaho, as Instrument No. 696025 and recorded on January 11, 2006, lying within the bounds of the above described property

PARCEL 3:

A tract of land in Government Lot 1 of Section 31, Township 58 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, being that property described in Instrument No. 484825 and more particularly described as follows:

Beginning at a point on the South line of said Government Lot 1, which is South 89° 06'38" East (record = South 89° 06'55" East) 330.00 feet from the Southwest corner of Government Lot 1, marked by a brass cap stamped RLS 974;

Thence parallel to the West line of the Section, North 00° 07'21" East, 118.03 feet;

Thence in a Southeasterly direction on a curve to the right (radial bearing = South 50° 01'02" West) having a central angle of 12° 44'09" and a radius of 233.31 feet, for an arc distance of 51.86 feet (chord = South 33° 36'53" East, 51.76 feet);

Thence South 27° 14'49" East, 79.53 feet;

Thence on a curve to the left (radial bearing = North 62° 45'11" East) having a central angle of 00° 31'29" (record = 00° 31'25") and a radius of 650.32 feet for an arc distance of 5.95 (record = 5.94 feet) feet (chord = South 27° 30'31" East, 5.95 feet), to the South line of Government Lot 1;

Thence along said South line North 89° 06'38" West (record = North 89° 06'55" West), 68.07 feet to the true point of beginning.

PARCEL 4:

A tract of land in Government Lot 1 of Section 31, Township 58 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, being that property described in Instrument No. 495753 and more particularly described as follows:

Beginning at a point on the South line of said Government Lot 1, which is South 89° 06'38" East (record = South 89° 06'55" East) 330.00 feet from the Southwest corner of Government Lot 1, marked by a brass cap stamped RLS 974;

Thence parallel to the West line of the Section North 00° 07'21" East, 118.03 feet;

Thence on a curve to the left (radial bearing = South 50° 01'02" West) having a central angle of 04° 01'30" and a radius of 233.31 feet, for an arc distance of 16.39 feet (chord = North 41° 59'43" West 16.39 feet)

Thence North 44° 00'28" West 23.17 feet to the Southeasterly right of way of the Lower Pack River Road;

Thence along said right of way on a curve to the right (radial bearing = North 53° 09'38" West) having a central angle of 12° 32'30" and a radius of 275.00 feet, for an arc distance of 60.20 feet (chord = South 43° 06'37" West, 60.08 feet);

Thence leaving said right of way, South 44° 00'28" East, 20.15 feet;

Thence on a curve to the right having a central angle of 16° 45'40" and a radius of 173.31 feet, for an arc distance of 50.70 feet (chord = South 35° 37'39" East 50.52 feet);

Thence South 27° 14'49" East, 53.38 feet to the true point of beginning

PARCEL 5:

A tract of land in Government Lot 2 of Section 31, Township 58 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, being that property described in Instrument No. 495753 and more particularly described as follows:

Beginning at a point on the West line of said Government Lot 2 (West line of Section 31) which is South 00° 07'21" West, 200.00 feet from the Northwest corner of said Government Lot 2;

Thence parallel to the North line of Government Lot 2, South 89° 06'38" East (record = South 89° 06'55" East) 562.61 feet (record = 562.58 feet);

Thence North 47° 03'53" West, 43.24 feet (record = 43.21 feet);

Thence on a curve to the right having a central angle of 19° 17'35" (record = 19° 17'39") and a radius of 650.32 feet, for an arc distance of 218.98 feet (chord = North 37° 25'03" West 271.95 feet) to the North line of Government Lot 2;

Thence along said North line North 89° 06'38" West (record = North 89° 06'55" West) 68.07 feet;

Thence South 27° 14'49" East 26.15 feet;

Thence on a curve to the left having a central angle of 09° 49'00" and a radius of 710.32 feet, for an arc distance of 121.70 feet (chord = South 32° 09'19" East, 121.55 feet);

Thence South 80° 25'01" West 412.81 feet (record = South 80° 24'50" West 412.82 feet) to the point of beginning.

EXCEPTING from Parcels 1, 3, 4 and 5, the following two tracts:

Any portion encompassed by the Plat of GOLDEN TEE ESTATES PLANNED UNIT DEVELOPMENT (PHASE ONE), according to the plat thereof, recorded in Book 6 of Plats, Page 108, records of Bonner County, Idaho.

AND any portion encompassed by the Plat of GOLDEN TEE ESTATES FIRST ADDITION, (PHASE TWO) according to the plat thereof, recorded in Book 6 of Plats, Page 114, records of Bonner County, Idaho.

PARCEL 6:

Lot 2, Block 3 in GOLDEN TEES ESTATES PLANNED UNIT DEVELOPMENT (PHASE ONE), according to the plat thereof, recorded in Book 6 of Plats, Page 108, records of Bonner County, Idaho.

PARCEL 7:

All private roads in GOLDEN TEE ESTATES PLANNED UNIT DEVELOPMENT (PHASE ONE), according to the plat thereof, recorded in Book 6 of Plats, Page 108, records of Bonner County, Idaho.

PARCEL 8:

All private roads in GOLDEN TEES ESTATES FIRST ADDITION (PHASE TWO), according to the plat thereof, recorded in Book 6 of Plats, Page 114, records of Bonner County, Idaho.

EXCEPTING from Parcels 1,2,3,4,5,6,7 and 8 any portion lying within the bounds of the following plats:

Replat of Golden Tee Estates and Golden Tee Estates 1st Addition and unplatted land, recorded in Book 8 of Plats, Page 77.

PARCEL 9:

Lots 14, 15, 16, 17, 19, 20 and 21, Block 2; All of Block 5A; Lot 4, Block 7; Lots 1A, Block 11; Lots 1A, 2A and 3A Block 12; Lot 13A, Block 13; Lot 1, Block 14A; Lots 1 & 2, Block 15; Lots 1 and 2, Block 17; all of Block 18; Lots 1 and 2, Block 19; Lots 2, 3, 5, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19 and 20, Block 20; Lots 1, 3 and 4 Block 21; Lots 1, 2, 4, 5 and 6, Block 22 of the replat of Golden Tee Estates and Golden Tee Estates 1st Addition and unplatted land, according to the Plat thereof, recorded in Book 8 of Plats, Page 77, records of Bonner County, Idaho.

PARCEL 10:

Lot 5A, Block 4, of the replat of Golden Tee Estates and Golden Tee Estates 1st Addition and unplatted land according to the Plat thereof, recorded in Book 8 of Plats, Page 77, records of Bonner County, Idaho.

PARCEL 11:

All of Block 16 of the replat of Golden Tee Estates and Golden Tee Estates 1st Addition and unplatted land according to the Plat thereof, recorded in Book 8 of Plats, Page 77, records of Bonner County, Idaho.

PARCEL 12:

Lot 1A Block 10 of the replat of Golden Tee Estates and Golden Tee Estates 1st Addition and unplatted land, according to the plat thereof, recorded in Book 8 of Plats, Page 77, records of Bonner County, Idaho.

PARCEL 13:

Lot 1, Block 20 of the replat of Golden Tee Estates and Golden Tee Estates 1st Addition and unplatted land according to the plat thereof, recorded in Book 8 of Plats, Page 77, records of Bonner County, Idaho.

SECTION B:

PARCEL 1:

Lot 1 in Block 1 of the FIRST ADDITION TO HIDDEN LAKES, according to the plat thereof, recorded in Book 4 of Plats, page 161, records of Bonner County, Idaho.

PARCEL 2:

Lots 2, 3, 4, 5 in Block 2 of the SECOND ADDITION TO HIDDEN LAKES SUBDIVISION, according to the plat thereof, recorded in Book 5 of Plats, Page 58, records of Bonner County, Idaho.

PARCEL 3:

A tract of land in the East half of the Northeast quarter of the Southwest quarter and the Northwest quarter of the Southeast quarter of Section 36, Township 58 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, more particularly described as follows:

Beginning at the Southeast corner of the East half of the Northeast quarter of the Southwest quarter of said Section 36;

Thence along the South line of the East half of the Northeast quarter of the Southwest quarter, North 89° 36'27" West, 661.51 feet (record = North 89° 37'10" West, 661.57 feet to the Southwest corner of the East half of the Northeast quarter of the Southwest quarter;

Thence along the West line of the East half of the Northeast quarter of the Southwest quarter, North 00° 10'22" East 856.45 feet (record = North 00° 09'25" East, 856.45 feet);

Thence North 89° 10'53" East, 30.21 feet (record = East, 29.58 feet) to the Westerly right of way of Berry Drive (shown as Olympic Drive on the Second Addition Plat to Hidden Lakes);

Thence Southeasterly along said right of way the following six (6) courses:

1. on a non tangential curve to the left (radial bearing = North 87° 39'13" East) having a central angle of 36° 44'06" and a radius of 131.00 feet for an arc distance of 83.99 feet (record = 84.54 feet) (chord = South 20° 42'50" East, 82.56 feet - record = South 20° 37'27" East, 83.08 feet);

2. thence South 39° 04'53" East, 419.67 feet (record = South 39° 06'45" East, 419.68 feet);

3. thence on a curve to the left having a central angle of 11° 42'45" and a radius of 530.00 feet for an arc distance of 108.34 feet (chord = South 44° 56'16" East, 108.15 feet - record = South 44° 58'08" East, 108.16 feet);

4. thence South 50° 47'39" East, 69.68 feet (record = South 50° 49'31" East, 69.68 feet);

5. thence on a curve to the right having a central angle of 23° 42'51" and a radius of 970.00 feet, for an arc distance of 401.47 feet (chord = South 38° 56'14" East, 398.61 feet - record = South 38° 58'05" East 398.61 feet);

6. thence South 27° 04'48" East, 31.65 feet to the South line of the Northwest quarter of the Southeast quarter (record = South 27° 06'40" East, 30.77 feet);

thence leaving said right of way North 89° 36'03" West, 60.37 feet (record = North 89° 37'09" West, 59.55 feet) to the point of beginning.

PARCEL 4:

A tract of land located in a portion of the Southwest quarter of the Southeast quarter of Section 36, Township 58 North, Range 1 West, Boise Meridian, Bonner County, Idaho, more particularly described as follows:

Beginning at the Northwest corner of said Southwest quarter of the Southeast quarter of Section 36;

Thence South 89° 36'03" East 60.37 feet (record = South 89° 37'09" East, 59.55 feet) to the Westerly right of way of Berry Drive (shown as Olympic Drive on the Plat of the Second Addition to Hidden Lakes);

Thence along said right of way for the following four (4) courses:

1. South 27° 04'48" East, 299.95 feet (record = South 27° 06'40" East, 300.83 feet);
2. North 62° 55'12" East, 60.00 feet (record = North 62° 53'20" East, 60.00 feet);
3. North 27° 04'48" West, 125.34 feet (record = North 27° 06'40" West, 125.34 feet);
4. thence on a curve to the right having a central angle of 79° 01'27" and a radius of 25.00 feet, for an arc distance of 34.48 feet (chord = North 12° 25'55" East, 31.81 feet - record = North 12° 24'03" East, 31.81 feet) to a point on the Southerly right of way of Fairway View Drive, as shown on the Plat of First Addition to Hidden Lakes;

thence along said right of way for the following eight (8) courses:

1. North 51° 56'39" East, 74.67 feet (record = North 51° 54'47" East, 74.67 feet);
2. thence on a curve to the right having a central angle of 99° 26'33" and a radius of 70.00 feet, for an arc distance of 121.49 feet (chord = South 78° 20'05" East, 106.81 feet - record = South 78° 21'57" East, 106.81 feet);
3. thence South 28° 36'48" East, 154.03 feet (record = South 28° 38'40" East, 154.03 feet);
4. thence on a curve to the right having a central angle of 55° 41'27" and a radius of 90.00 feet for an arc distance of 87.48 feet (chord = South 00° 46'05" East, 84.08 feet - record = South 00° 47'56" East, 84.08 feet);
5. thence South 27° 04'39" West, 170.14 feet;
6. thence on a curve to the right having a central angle of 71° 37'11" and a radius of 60.0 feet, for an arc distance of 75.00 feet (chord = South 08° 43'57" East, 70.21 feet);
7. thence South 44° 32'32" East, 50.94 feet;
8. thence on a curve to the right having a central angle of 69° 10'16" and a radius of 25.00 feet, for an arc distance of 30.18 feet (chord = South 09° 57'24" East, 28.38 feet - record = South 11° 23'51" East, 30.18 feet) to a point on the West right of way of Lower Pack River Road;

thence Southerly along said right of way for the following four (4) courses:

1. on a non tangential curve to the right having a central angle of 04° 15'19" and a radius of 1180.00 feet for an arc distance of 87.69 feet (chord = South 22° 30'38" West, 87.67 feet);
2. thence South 20° 22'44" West, 114.57 feet;

3. thence on a curve to the left having a central angle of $22^{\circ} 29' 50''$ and a radius of 502.65 feet, for an arc distance of 197.36 feet (chord = South $09^{\circ} 07' 49''$ West, 196.10 feet)

4. thence South $02^{\circ} 07' 06''$ East, 157.81 feet to the Northerly right of way of State Highway No. 200;

thence along the highway right of way, South $77^{\circ} 42' 28''$ West, 72.14 feet (record = South $78^{\circ} 15' 06''$ West, 71.11 feet);

thence continuing along the Highway right of way, South $69^{\circ} 44' 57''$ West, 262.22 feet (record = South $69^{\circ} 43' 16''$ West, 261.65 feet) to the West line of the Southwest quarter of the Southeast quarter of said Section 36;

thence along the West line of the Southwest quarter of the Southeast quarter, North $00^{\circ} 08' 19''$ East, 1223.36 feet (record = North $00^{\circ} 07' 13''$ East, 1223.17 feet) to the point of beginning.

PARCEL 5:

That portion of the Southeast quarter of the Northeast quarter of Section 36, Township 58 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, lying West of the Lower Pack River Road,

EXCEPT the First Addition to Hidden Lakes Subdivision, according to the plat thereof, recorded in Book 4 of Plats, Page 161, record of Bonner County, Idaho.

SECTION C:

PARCEL 1:

All that portion of the Southeast Quarter in Section 36, Township 58 North, Range 1 West, Boise Meridian, Bonner County, Idaho, lying South of State Highway 200; and all that portion of Government Lot 4 in Section 31, Township 58 North, Range 1 East, Boise Meridian, Bonner County, Idaho, lying South of State Highway 200;

LESS the following described property:

A tract of land in the Southeast quarter of Section 36, Township 58 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, being that property described in Instrument No. 92981, records of Bonner County, Idaho and more particularly described as follows:

Commencing at the Southeast corner of said Section 36;

Thence along the East line of Section 36, North $00^{\circ} 08' 06''$ East, 460.00 feet;

Thence perpendicular to the East line of the Section, North $89^{\circ} 51' 54''$ West, 568.00 feet to the true point of beginning;

Thence South $47^{\circ} 08' 06''$ West, 250.00 feet;

Thence South $42^{\circ} 51' 54''$ East, 348.50 feet;

Thence North $47^{\circ} 48' 06''$ East, 250.00 feet;

Thence North $42^{\circ} 51' 54''$ West, 348.50 feet to the true point of beginning.

AND

All that portion of Government Lots 2, 3, 4, 5, 6, 7, 8 and 9; the Southwest quarter of the Northeast quarter; and the South half of the Northwest quarter of Section 2, Township 57 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, lying South of State Highway No. 200 and lying North and East of the Northern Pacific Railroad (now Montana Rail Link) right of way.

LESS that portion of Section 2, Township 57 North, Range 1 West of the Boise Meridian, Bonner County, Idaho; being that property described in Instrument No. 592059 and more particularly described as follows:

Beginning at a right of way monument on the South right of way of State Highway No. 200, from which the Northwest corner of said Section 2 bears North 25° 54'43" West, 798.00 feet (record = North 26° 28'08" West, 798.11 feet;

Thence along the South right of way of the Highway, North 68° 35'39" East, 266.10 feet;

Thence continuing along the Highway right of way, on a curve to the left (radial bearing = North 14° 03'28" West) having a central angle of 00° 08'55" and a radius of 5799.58 feet for an arc distance of 15.03 feet (chord = North 75° 52'05" East, 15.03 feet - total distance along right of way from point of beginning = 281.13 feet - record = 281.13 feet);

thence leaving said right of way South 00° 04'10" West, 725.53 feet;

Thence North 89° 14'40" West, 330.00 feet;

Thence North 00° 03'26" West 607.20 feet, to the Southerly right of way of State Highway No. 200;

Thence along said right of way North 79° 11'55" East, 70.38 feet to the true point of beginning.

LESS a tract of land located in Section 36, Township 58 North, Range 1 West and Section 2, Township 57 North, Range 1 West of the Boise Meridian, Bonner County, Idaho; being a portion of that property described in Instrument No. 464572 and more particularly described as follows:

Beginning at a point that is North 80° 05'57" East 386.02 feet from the South quarter of said Section 36, said point also being at the intersection of the South right of way of State Highway No. 200 and the East right of way of the Old County Road;

Thence South 05° 14'00" East along the East right of way of the Old County Road, 171.80 feet;

Thence continuing South 14° 35'50" East along said East right of way, 254.70 feet to the intersection with the North right of way of Old Highway 200 (FAP No. 95F);

Thence North 72° 38'24" East along said North right of way, 372.40 feet;

Thence continuing along said North right of way, North 72° 58'33" East, 336.00 feet to the intersection with the West high bank of Dry Creek;

Thence Northeasterly along said West high bank, a distance of 578 feet, more or less, to the intersection with the South right of way of State Highway No. 200;

Thence Westerly along said South right of way the following six (6) courses:

1. around a curve to the left with a radius of 2643.37 feet, a distance of 48.44 feet (chord = South 88° 02'31" West, 48.43 feet);
2. North 79° 07'52" West, 100.50 feet;
3. around a curve to the left with a radius of 2668.37 feet for a distance of 247.30 feet (chord = South 82°

54'00" West, 247.24 feet);

4. along a spiral curve (South = 02° 12'18"), a distance of 207.68 feet (chord = South 70° 27'12" West, 207.67 feet);

5. South 69° 43'21" West, 328.60 feet;

6. South 61° 11'30" West, 119.79 feet to the point of beginning.

TOGETHER WITH any portion of the old highway right of way abandonment described in that certain Quitclaim Deed, executed by the State of Idaho, as Instrument No. 696025 and recorded on January 11, 2006, and lying within the bounds of the above described property.

AND

Government Lots 5, 9, 10 and 11; the Southeast quarter of the Northwest quarter; the East half of the Southwest quarter; and Government Lot 6, all in Section 6, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho.

LESS that property described in Instrument No. 22533, records of Bonner County, Idaho, and described as follows:

Beginning at the North quarter corner of said Section 6, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho;

Thence South 1669.70 feet to Pack River and the True Point of Beginning;

Thence South 66° 47' West, 203 feet;

Thence South 69° 54' West 165.3 feet;

Thence South 79° 56' West, 242.5 feet;

Thence South 01° 11' East, 146 feet;

Thence South 25° 18' East, 118.20 feet;

Thence South 54° 29' East, 137.2 feet;

Thence South 68° 10' East, 267.1 feet;

Thence North 535.6 feet to a point 1669.7 feet South of the North quarter corner of Section 6.

LESS a tract of land in Government Lot 6 and the Southeast quarter of the Northwest quarter of Section 6, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, being that property identified as Tract No. Q-1755-2 in Instrument No. 42975 and more particularly described as follows:

Beginning at a point on the Southerly right of way of State Highway No. 200 which is South 55° 03'21" East, 2460.29 feet from the Northwest corner of said Section 6 (record = South 55° 14' East, 2451.3);

Thence South 14° 53'00" East, 223.22 feet (record);

Thence South 04° 43'00" East, 640.00 feet (record);

Thence South 39° 48'00" East, 430.00 feet (record);

Thence South 30° 28'00" East, 387.49 feet (record = 500 feet plus or minus) to the East line of the Southeast quarter of the Northwest quarter of said Section 6.

TOGETHER WITH any portion of the Old Highway right of way abandonment described in that certain Quitclaim Deed, executed by the State of Idaho, as Instrument No. 696025 and recorded on January 11, 2006, lying within the bounds of the above described property

EXCEPTING therefrom all of the above described properties, any portion lying within the bounds of the following Plats:

Replat of Golden Tee Estates and Golden Tee Estates 1st Addition and unplatted land, recorded in Book 8 of Plats, Page 77.

Golden Tee Estates- 2nd Addition, recorded in Book 8 of Plats, Page 79

Golden Tee Estates - 3rd Addition, recorded in Book 8 of Plats, Page 78,

Golden Tee Estates - 4th Addition, recorded in Book 8 of Plats, Page 80,

Golden Tee Estates - 5th Addition, recorded in Book 8 of Plats, Page 81 and Golden Tee Estates- 6th, recorded in Book 8 of Plats, Page 82

PARCEL 2:

Lots 1, 2, 4, 5, 6, 7, 8, 9 and 10, Block 1; Lots 1, 2, 3, 4, 5, 7, 8, 9 and 10, Block 2; Lots 1, 2, 3, 6, and 10, Block 3 of Golden Tee Estates 2nd Addition according to the Plat thereof, recorded in Book 8 of Plats, Page 79, records of Bonner County, Idaho and

Lots 1, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17 Block 1; Lot 1, Block 2; Lots 1, 2, 3, 4, 5, 6, 7 and 8, Block 3; Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 15, Block 4; Lots 1, 2, 7 and 8, Block 5; Lots 1, 2, 3, and 4, Block 6; Lots 3, 5, 6 and 10, Block 7; Lots 1, 2, 4, 5 and 6 Block 8; Lots 2, 3, 4 and 5, Block 9; Lots 6, and 8, Block 10; Lot 2 Block 11 of Golden Tee Estates 3rd Addition, according to the Plat thereof, recorded in Book 8 of Plats, Page 78, records of Bonner County, Idaho.

AND

Lots 1, 2, 3, 5, 6, 7 and 8, Block 1; Lots 2, and 5, Block 2; Lots 1, 2 and 3, Block 3; Lots 1, 2, 3, 4, 5, 6, 7, 8 and 9, Block 4; Lots 1, 4, 5, 6 and 7, Block 5 of Golden Tee Estates 4th Addition, according to the Plat thereof, recorded in Book 8 of Plats, Page 80, records of Bonner County, Idaho.

AND

Lots 1, 4, 5, 6, 7, 8 and 9, Block 1; Lots 1, 3, 5, 6, 7, 8, 9, 10 and 11, Block 2 of Golden Tee Estates 5th Addition, according to the Plat thereof, recorded in book 8 of Plats, Page 81 records of Bonner County, Idaho.

AND

Lots 2, 6, 7 and 8, block 1; Lots 1, 2, 3, 4 and 5, Block 2; Lot 1, Block 3; Lots 1, 2, 3, 4 and 5, Block 4; Lot 1, Block 5 of Golden Tee Estates 6th Addition, according to the Plat thereof, recorded in Book 8 of Plats, Page 82, records of Bonner County, Idaho.

SECTION D:

PARCEL 1:

That portion of the Southwest quarter of the Southwest quarter of Section 16, Township 57 North, Range 1 East, Boise Meridian, lying West of the State Highway No. 200 right of way and East of the Northern Pacific Railway right of way; and lying North of the North line of the following described tract:

Beginning at a point where the Section line between Sections 16 and 21, Township 57 North, Range 1 West, Boise Meridian, intersects the State Highway on the Westerly side as it now exists;

thence in a Northwesterly direction along the Westerly side of said Highway, 752 feet;

thence in a Southwesterly direction, 97 feet;

thence in a Southeasterly direction, 672 feet to the Section line between Sections 16 and 21;

thence East on said Section line between said Sections 16 and 21, 104.25 feet, more or less, to the place of beginning.

SAID parcel is now described as follows:

A tract of land situated in the Southwest quarter of the Southwest quarter of Section 16, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, lying Southwest of the right of way of State Highway No. 200 and Northeast of the right of way of Montana Rail Link Railway; being a portion of that property described as Parcel 1 of Instrument No. 168846 and more particularly described as follows:

Commencing at the intersection of the South line of the Southwest quarter of the Southwest quarter of Section 16 and the Northeasterly right of way of Montana Rail Link Railway which is South $88^{\circ} 10' 56''$ East, 944.95 feet from the Southwest corner of Section 16;

Thence leaving said South line and along said right of way North $23^{\circ} 38' 59''$ West, 672.00 feet to the true point of beginning;

Thence continuing along said right of way North $23^{\circ} 38' 59''$ West, 786.99 feet to the intersection with the North line of the Southwest quarter of the Southwest quarter;

Thence leaving said right of way and along said North line South $88^{\circ} 43' 23''$ East, 241.38 feet to the Westerly right of way of State Highway No. 200;

Thence leaving said North line and along said right of way the following four (4) courses:

on a non-tangential curve to the right having a central angle of $01^{\circ} 19' 25''$ (radial bearing = South $73^{\circ} 15' 16''$ West), a radius of 768.50 feet, for an arc length of 17.75 feet (chord = South $16^{\circ} 06' 41''$ East, 17.75 feet);

Thence along a line offset 50.00 feet Westerly of and parallel to a spiral curve (centerline ls = 200 feet, $a = 3.5$, $S = 7^{\circ}$) for a chord of South $10^{\circ} 43' 01''$ East 193.87 feet);

Thence South $08^{\circ} 25' 19''$ East, 86.06 feet;

Thence on a curve to the left having a central angle of $13^{\circ} 56' 48''$, a radius of 1482.53 feet, for an arc length of 360.87 feet (chord = South $15^{\circ} 23' 43''$ East, 359.98 feet);

Thence leaving said right of way South $44^{\circ} 37' 10''$ West, 106.45 feet (record = "Southwesterly 97 feet") to the true point of beginning.

PARCEL 2:

That part of the Southwest quarter of the Southwest quarter in Section 16, Township 57 North, Range 1 East of the Boise Meridian, lying South and West of the Burlington Northern Inc. Railway right of way and

Government Lot 5 in Section 17, Township 57 North, Range 1 East, of the Boise Meridian, save and excepting therefrom:

The South 350 feet of Government Lot 5 in said Section 17, and also that part of the Southwest quarter of the Southwest quarter in said Section 16 lying Westerly of said Burlington Northern Inc. right of way as now in use and described as follows:

Beginning at the Southwest corner of said Section 16;

thence North along the West Section line 350 feet;

thence East to the centerline of Trestle Creek;

thence Southeasterly along said centerline to the South line of Section 16;

thence West along the Section line 720 feet, more or less, to the point of beginning.

SAID parcel is now described as follows:

A tract of land situated in the Southwest quarter of the Southwest quarter of Section 16, lying Southwest of Montana Rail Link Railroad right of way and Government Lot 5 of Section 17, all in Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho; being a portion of that property described as Parcel 2 of Instrument No. 168846 and more particularly described as follows:

Beginning at the intersection of the South line of the Southwest quarter of the Southwest quarter of Section 16 and the Southwesterly right of way of Montana Rail Link Railway which is South $88^{\circ} 10'56''$ East, 834.19 feet from the Southwest corner of Section 16;

Thence leaving said South line and along said right of way North $23^{\circ} 38'59''$ West, 1457.84 feet to the intersection with the North line of the Southwest quarter of the Southwest quarter;

Thence leaving said right of way and along the North line of the Southwest quarter of the Southwest quarter, North $88^{\circ} 43'23''$ West, 243.71 feet to the Northwest corner of the Southwest quarter of the Southwest quarter;

Thence along the North line of Government Lot 5 in Section 17, North $89^{\circ} 23'45''$ West, 1223.84 feet to the meander line of Lake Pend Oreille, as defined by the original GLO Survey;

Thence leaving said North line and along said meander line the following two (2) course:

South $52^{\circ} 55'48''$ East, 561.00 feet;

Thence South $37^{\circ} 55'48''$ East, 798.96 feet to a point on a line lying 350.00 feet North of and parallel to the South line of the Southwest quarter of the Southwest quarter of Section 16;

Thence along said parallel line, South $88^{\circ} 10'56''$ East, 281.27 feet to the West line of the said Southwest quarter of the Southwest quarter;

Thence continuing South $88^{\circ} 10'56''$ East, 159.02 feet to the intersection with the centerline of Trestle Creek;

Thence along the centerline of Trestle Creek the following eight (8) courses:

South $52^{\circ} 54'34''$ East, 63.58 feet;

Thence South $44^{\circ} 37'26''$ East, 117.83 feet;

Thence South 42° 08'45" East, 77.28 feet;

Thence South 80° 05'07" East, 145.49 feet;

Thence South 55° 15'32" East, 86.34 feet;

Thence South 46° 56'31" East, 113.98 feet;

Thence South 75° 43'10" East, 58.83 feet;

Thence South 37° 48'28" East, 27.37 feet to the intersection with the South line of the Southwest quarter of the Southwest quarter;

Thence leaving said creek centerline and along said South line South 88° 10'56" East, 116.80 feet to the true point of beginning.

PARCEL 3:

A portion of the Northeast quarter of the Northwest quarter and Government Lot 1 of Section 21, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho, described as follows:

Beginning at a point where the South line of the Northeast quarter of the Northwest quarter of Section 21, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, intersects the West line of the Northern Pacific Railroad Company right of way;

thence 600 feet Northerly along said railroad right of way;

thence West to the meander line of lake;

thence 600 feet Southerly to the South line of Lot 1 of said Section 21;

thence East to the Point of Beginning.

SAID parcel is now described as follows:

A tract of land situated in the Northeast quarter of the Northwest quarter and Government Lot 1 of Section 21, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, more particularly described as follows:

Beginning at the intersection of the South line of the Northeast quarter of the Northwest quarter of Section 21 and the Westerly right of way of Montana Rail Link Railroad which is South 88° 55'48" East, 139.54 feet from the Southwest corner of said Northeast quarter of the Northwest quarter;

Thence leaving said South line and along said right of way the following two (2) courses:

On a non-tangential curve to the left having a central angle of 10° 44'25" (radial bearing = South 65° 01'49" West) a radius of 2664.79 feet, for an arc length of 499.53 feet (chord = North 30° 20'24" West, 498.80 feet);

Thence North 25° 10'12" West, 100.47 feet;

Thence leaving said right of way and parallel to the South line of Government Lot 1, North 88° 55'48" West, 936.05 feet to the meander line of Lake Pend Oreille as defined in the original GLO Survey;

Thence along said meander line the following two (2) courses:

South 14° 25'48" East, 271.54 feet;

Thence South $46^{\circ} 40' 48''$ East, 378.00 feet to the intersection with the South line of Government Lot 1;

Thence along said South line South line South $88^{\circ} 55' 48''$ East, 748.52 feet to the Southeast corner of Government Lot 1;

Thence along the South line of the Northeast quarter of the Northwest quarter, South $88^{\circ} 55' 48''$ East, 139.54 feet to the true point of beginning.

Exhibit

"CC-D"



724832

Sandpoint Title Insurance, Inc.

SUBORDINATION AGREEMENT

Order No.:49214-NA

NOTICE: This subordination agreement results in your security interest in the property described herein becoming subject to and of lower priority than the lien of some other or later Security Instrument. It is recommended that, prior to the execution of this Subordination Agreement, the parties consult with their attorneys with respect thereto.

THIS AGREEMENT, made on March 14, 2007, by Pend Oreille Bonner Development, LLC owner(s) of the land hereinafter described and hereinafter referred to as 'Owner', and North Idaho Resort LLC, an Idaho Limited Liability Company, present owner and holder of The Memorandum of Real Property Purchase and Sale Agreement, dated June 19, 2006 as Instrument 706475, covering:

See attached Exhibit "A"

WHEREAS, Owner has executed, a Deed of Trust and Note in the sum of \$21,200,000.00 in favor of R.E. Loans LLC, hereinafter referred to as 'Lender', which Deed of Trust was recorded on March 2007 as Instrument No. 724832, records of said County; and UCC Instrument # 724830

WHEREAS, It is a condition precedent to obtaining said loan that said Deed of Trust last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the Deed of Trust first above mentioned; and

WHEREAS, Lender is willing to make said loan, provided the Deed of Trust securing same is a lien or charge upon the above-described property prior and superior to the lien or charge of the Deed of Trust first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the Deed of Trust first above mentioned to the lien or charge of the Deed of Trust in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the Deed of Trust securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the Deed of Trust first above mentioned.

NOW THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- 1) That said Deed of Trust securing said Note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the Deed of Trust first above mentioned.
- 2) That Lender would not make its loan above described without this Subordination Agreement.
- 3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Deed of Trust first above mentioned to the lien or charge of the Deed of Trust in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the Deeds of Trust hereinbefore specifically described, any prior agreement as to such subordination including, but not limited to, those provisions, if any, contained in the Deed of Trust first above mentioned, which provide for the subordination of the lien or charge thereof to another Deed or Deeds of Trust or to another mortgage or mortgages.

Beneficiary declares, agrees, and acknowledges that:


- 1) He consents to and approves (i) of all provisions of the Note and Deed of Trust in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lenders loan, provided, however, that said Distributions comply with the terms of the Purchase and Sale Agreement, a Memorandum of which was recorded June 19, 2006 as Instrument No. 706475;
- 2) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for

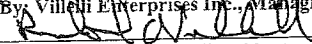
Exhibit"CC-D"
321

purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;

- 3) He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Deed of Trust first above mentioned in favor of the lien or charge upon said land of the Deed of Trust in favor of Lender above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination specific loans and advances are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and
- 4) An endorsement has been placed upon the Note secured by the Deed of Trust first mentioned that said Deed of Trust has by this Instrument been subordinated to the lien or charge of the Deed of Trust in favor of Lender above referenced.

NOTICE; This subordination Agreement contains a provision which allows the person obligated on your real property security to obtain a loan, a portion of which may be expended for other purposes than improvement of the land.

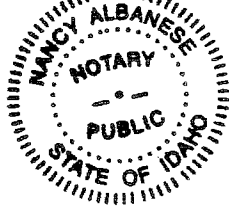
Pend Oreille Bonner Development, LLC
By: Pend Oreille Bonner Development Holdings Inc.

By: Charles W. Reeves, President

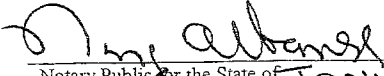
North Idaho Resorts, LLC
By: Vilelli Enterprises Int., Managing Member

By: Richard A. Vilelli, President

STATE OF IDAHO }
COUNTY OF BONNER } SS.

On this 14th day of March in the year 2007 before me, a Notary Public in and for said state, personally appeared Charles W. Reeves known or identified to me to be the President of the corporation that executed this instrument as the sole member of Pend Oreille Bonner Development LLC or the person who executed the instrument on behalf of said corporation and acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

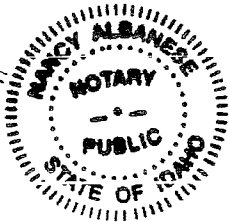
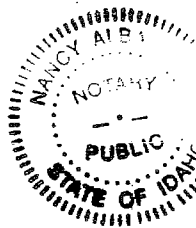


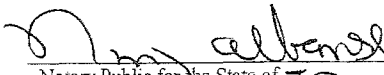

Notary Public for the State of IDAHO
Residing at: Sandpoint
Commission Expires: 1-31-11

STATE OF IDAHO }
COUNTY OF BONNER } SS.

On this 14th day of March in the year 2007 before me, a Notary Public in and for said state, personally appeared Richard A. Vilelli known or identified to me to be the President of the corporation that executed this instrument as the sole member of North Idaho Resorts LLC or the person who executed the instrument on behalf of said corporation and acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.




Notary Public for the State of IO
Residing at: Sandpoint
Commission Expires: 1-31-11

Escrow No. 49214-NA

EXHIBIT "A"
Legal Description

The land referred to in this document is situated in the State of Idaho, County of **Bonner**, and is described as follows:

SECTION A:

PARCEL 1:

A tract of land located in Section 36, Township 58 North, Range 1 West AND Section 31, Township 58 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, more particularly described as follows:

That portion of said Sections 36 and 31 lying East of Pack River Road, a county road, West of the Pack River, North of State Highway No. 200, and South of the South line of Government Lot 1 of said Section 31 and South of the South line of the Northeast quarter of the Northeast quarter of said Section 36;

LESS that land included in the Plat of Hidden Lakes Subdivision as recorded in Book 4 of Plats, page 64, records of Bonner County, Idaho.

ALSO LESS a parcel of land in Section 36, Township 58 North, Range 1 West of the Boise Meridian, Bonner County, Idaho more particularly described as follows:

Commencing at the Southeast corner of said Section 36;

Thence North 52° 11'33" West 953.40 feet (record per Instrument No. 457973 = North 54° 29'10" West, 1010.58 feet) to a point on the Northerly right of way of State Highway No. 200 and the true point of beginning;

Thence North 01° 19'29" West, 244.70 feet (record per Instrument No. 457973 = North 01° 07'07" East, 244.28 feet);

Thence South 88° 04'08" West, 348.50 feet (record per Instrument No. 457973 = South 87° 52'03" West, 348.49 feet)

Thence South 01° 19'12" West, 250.00 feet (record per Instrument No. 457973 = South 01° 07'07" West, 250.00 feet) to the Northerly right of way of State Highway No. 200;

Thence along said right of way North 80° 34'19" East 66.04 feet (record per Instrument No. 457973 = North 79° 46'41" East, 66.62 feet);

Thence on a curve to the right having a central angle of 05° 47'35" and a radius of 2803.37 feet, for an arc distance of 283.45 feet (record per Instrument No. 457973 = a central angle of 05° 47'02" and an arc length of 282.99 feet) to the true point of beginning.

LESS a tract of land in Government Lot 2 of Section 31, Township 58 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, more particularly described as follows:

Beginning at the intersection of the North line of said Government Lot 2 and an existing fence line marking the right of way of an old County Road, said point being South 89° 06'38" East, 398.07 feet from the Northwest corner of Government Lot 2 (record = 361.00 feet);

Thence along said fence line as noted of record per Instrument No. 217765 on a curve to the left (radial bearing = North 62° 13'42" East) having a central angle of 19° 17'35" and a radius of 650.32 feet, for an arc distance of 218.98 feet (chord = South 37° 25'05" East, 217.95 feet);

Thence continuing along said fence line, South 47° 03'53" East, 43.24 feet;

Thence North 89° 06'38" West, 12.33 feet;

Thence continuing along the fence line, South 59° 55'24" East, 65.99 feet to an iron pipe as described in Instrument No. 217765;

Thence along the fence line, South 70° 07'45" East, 262.49 feet to an iron pipe as described in Instrument No. 217765 (record = South 70° 18'00" East 262.00 feet);

Thence South 54° 48'04" East, 67.00 feet;

Thence North 40° 08'56" East, 168.45 feet to the right bank of Pack River (record = 200.00 feet to the thread of Pack River);

Thence North 40° 08'56" East to the intersection with the thread of Pack River;

Thence Northerly and upstream along the thread line of Pack River to the intersection with the North line of Government Lot 2 of said Section 31;

Thence South 89° 06'38" East, along said North line to the true point of beginning.

LESS any part of the above described property lying North and East of Pack River.

LESS a tract of land in Government Lots 1 and 2 of Section 31, Township 58 North, Range 1 East and the Southeast quarter of the Northeast quarter of Section 36, Township 58 North, Range 1 West of the Boise Meridian, Bonner County, Idaho and more particularly described as follows:

Mary's Pack River Lots and all that property dedicated to the public for right of way as shown and recorded in Instrument No. 699091, records of Bonner County, Idaho.

PARCEL 2:

A tract of land located in Section 36, Township 58 North, Range 1 West AND Section 2, Township 57 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, more fully described as follows:

Beginning at a point that is North 80 degrees 05' 57" East, a distance of 386.02 feet from the South quarter corner of said Section 36, said point also being at the intersection of the South right of way of State Highway No. 200 and the East right of way of the Old Country Road;

thence South 5 degrees 14' 00" East along said East right of way of the old country road, a distance of 171.80 feet;

thence continuing South 14 degrees 35' 50" East along said East right of way, a distance of 254.70 feet to an intersection with the North right of way of Old Highway No. 200 (FAP No. 95F);

thence North 72 degrees 38' 24" East along said North right of way, a distance of 372.40 feet;

thence continuing along said North right of way, North 72 degrees 58' 33" East, a distance of 336.00 feet to an intersection with the West high bank of Dry Creek;

thence Northeasterly along said West high bank, a distance of 578 feet, more or less, to an intersection with the South right of way of said State Highway No. 200;

thence Westerly along said South right of way the following six (6) courses:

- 1) Around a curve to the left with a radius of 2643.37 feet, a distance of 48.44 feet (the chord of which bears South 88 degrees 02' 31" West, a distance of 48.43 feet);
- 2) North 79 degrees 07' 52" West, 100.50 feet;
- 3) Around a curve to the left with a radius of 2668.37 feet, a distance of 247.30 feet (the chord of which bears South 82 degrees 54' 00" West, a distance of 247.24 feet) to a P.S.C.;
- 4) Along a spiral curve (S=2 degrees 12.3'), a distance of 207.68 feet (the chord of which bears South 70 degrees 27' 12" West, a distance of 207.67 feet) to a P.S.;
- 5) South 69 degrees 43' 21" West, 328.60 feet;
- 6) South 61 degrees 11' 30" West, 119.79 feet to the point of beginning.

AND TOGETHER WITH any portion of the old Highway right of way abandonment, described in that certain Quit Claim Deed, executed by the State of Idaho, as Instrument No. 696025 and recorded on January 11, 2006, lying within the bounds of the above described property

PARCEL 3:

A tract of land in Government Lot 1 of Section 31, Township 58 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, being that property described in Instrument No. 484825 and more particularly described as follows:

Beginning at a point on the South line of said Government Lot 1, which is South 89° 06'38" East (record = South 89° 06'55" East) 330.00 feet from the Southwest corner of Government Lot 1, marked by a brass cap stamped RLS 974;

Thence parallel to the West line of the Section, North 00° 07'21" East, 118.03 feet;

Thence in a Southeasterly direction on a curve to the right (radial bearing = South 50° 01'02" West) having a central angle of 12° 44'09" and a radius of 233.31 feet, for an arc distance of 51.86 feet (chord = South 33° 36'53" East, 51.76 feet);

Thence South 27° 14'49" East, 79.53 feet;

Thence on a curve to the left (radial bearing = North 62° 45'11" East) having a central angle of 00° 31'29" (record = 00° 31'25") and a radius of 650.32 feet for an arc distance of 5.95 (record = 5.94 feet) feet (chord = South 27° 30'31" East, 5.95 feet), to the South line of Government Lot 1;

Thence along said South line North 89° 06'38" West (record = North 89° 06'55" West), 68.07 feet to the true point of beginning.

PARCEL 4:

A tract of land in Government Lot 1 of Section 31, Township 58 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, being that property described in Instrument No. 495753 and more particularly described as follows:

Beginning at a point on the South line of said Government Lot 1, which is South 89° 06'38" East (record = South 89° 06'55" East) 330.00 feet from the Southwest corner of Government Lot 1, marked by a brass cap stamped RLS 974;

Thence parallel to the West line of the Section North 00° 07'21" East, 118.03 feet;

Thence on a curve to the left (radial bearing = South 50° 01'02" West) having a central angle of 04° 01'30" and a radius of 233.31 feet, for an arc distance of 16.39 feet (chord = North 41° 59'43" West 16.39 feet)

Thence North 44° 00'28" West 23.17 feet to the Southeasterly right of way of the Lower Pack River Road;

Thence along said right of way on a curve to the right (radial bearing = North 53° 09'38" West) having a central angle of 12° 32'30" and a radius of 275.00 feet, for an arc distance of 60.20 feet (chord = South 43° 06'37" West, 60.08 feet);

Thence leaving said right of way, South 44° 00'28" East, 20.15 feet;

Thence on a curve to the right having a central angle of 16° 45'40" and a radius of 173.31 feet, for an arc distance of 50.70 feet (chord = South 35° 37'39" East 50.52 feet);

Thence South 27° 14'49" East, 53.38 feet to the true point of beginning

PARCEL 5:

A tract of land in Government Lot 2 of Section 31, Township 58 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, being that property described in Instrument No. 495753 and more particularly described as follows:

Beginning at a point on the West line of said Government Lot 2 (West line of Section 31) which is South 00° 07'21" West, 200.00 feet from the Northwest corner of said Government Lot 2;

Thence parallel to the North line of Government Lot 2, South 89° 06'38" East (record = South 89° 06'55" East) 562.61 feet (record = 562.58 feet);

Thence North 47° 03'53" West, 43.24 feet (record = 43.21 feet);

Thence on a curve to the right having a central angle of 19° 17'35" (record = 19° 17'39") and a radius of 650.32 feet, for an arc distance of 218.98 feet (chord = North 37° 25'03" West 271.95 feet) to the North line of Government Lot 2;

Thence along said North line North 89° 06'38" West (record = North 89° 06'55" West) 68.07 feet;

Thence South 27° 14'49" East 26.15 feet;

Thence on a curve to the left having a central angle of 09° 49'00" and a radius of 710.32 feet, for an arc distance of 121.70 feet (chord = South 32° 09'19" East, 121.55 feet);

Thence South 80° 25'01" West 412.81 feet (record = South 80° 24'50" West 412.82 feet) to the point of beginning.

EXCEPTING from Parcels 1, 3, 4 and 5, the following two tracts:

Any portion encompassed by the Plat of GOLDEN TEE ESTATES PLANNED UNIT DEVELOPMENT (PHASE ONE), according to the plat thereof, recorded in Book 6 of Plats, Page 108, records of Bonner County, Idaho.

AND any portion encompassed by the Plat of GOLDEN TEE ESTATES FIRST ADDITION, (PHASE TWO) according to the plat thereof, recorded in Book 6 of Plats, Page 114, records of Bonner County, Idaho.

PARCEL 6:

Lot 2, Block 3 in GOLDEN TEES ESTATES PLANNED UNIT DEVELOPMENT (PHASE ONE), according to the plat thereof, recorded in Book 6 of Plats, Page 108, records of Bonner County, Idaho.

PARCEL 7:

All private roads in GOLDEN TEE ESTATES PLANNED UNIT DEVELOPMENT (PHASE ONE), according to the plat thereof, recorded in Book 6 of Plats, Page 108, records of Bonner County, Idaho.

PARCEL 8:

All private roads in GOLDEN TEES ESTATES FIRST ADDITION (PHASE TWO), according to the plat thereof, recorded in Book 6 of Plats, Page 114, records of Bonner County, Idaho.

EXCEPTING from Parcels 1,2,3,4,5,6,7 and 8 any portion lying within the bounds of the following plats:

Replat of Golden Tee Estates and Golden Tee Estates 1st Addition and unplatted land, recorded in Book 8 of Plats, Page 77.

PARCEL 9:

Lots 14, 15, 16, 17, 19, 20 and 21, Block 2; All of Block 5A; Lot 4, Block 7; Lots 1A, Block 11; Lots 1A, 2A and 3A Block 12; Lot 13A, Block 13; Lot 1, Block 14A; Lots 1 & 2, Block 15; Lots 1 and 2, Block 17; all of Block 18; Lots 1 and 2, Block 19; Lots 2, 3, 5, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19 and 20, Block 20; Lots 1, 3 and 4 Block 21; Lots 1, 2, 4, 5 and 6, Block 22 of the replat of Golden Tee Estates and Golden Tee Estates 1st Addition and unplatted land, according to the Plat thereof, recorded in Book 8 of Plats, Page 77, records of Bonner County, Idaho.

PARCEL 10:

Lot 5A, Block 4, of the replat of Golden Tee Estates and Golden Tee Estates 1st Addition and unplatted land according to the Plat thereof, recorded in Book 8 of Plats, Page 77, records of Bonner County, Idaho.

PARCEL 11:

All of Block 16 of the replat of Golden Tee Estates and Golden Tee Estates 1st Addition and unplatted land according to the Plat thereof, recorded in Book 8 of Plats, Page 77, records of Bonner County, Idaho.

PARCEL 12:

Lot 1A Block 10 of the replat of Golden Tee Estates and Golden Tee Estates 1st Addition and unplatted land, according to the plat thereof, recorded in Book 8 of Plats, Page 77, records of Bonner County, Idaho.

PARCEL 13:

Lot 1, Block 20 of the replat of Golden Tee Estates and Golden Tee Estates 1st Addition and unplatted land according to the plat thereof, recorded in Book 8 of Plats, Page 77, records of Bonner County, Idaho.

SECTION B:

PARCEL 1:

Lot 1 in Block 1 of the FIRST ADDITION TO HIDDEN LAKES, according to the plat thereof, recorded in Book 4 of Plats, page 161, records of Bonner County, Idaho.

PARCEL 2:

Lots 2, 3, 4, 5 in Block 2 of the SECOND ADDITION TO HIDDEN LAKES SUBDIVISION, according to the plat thereof, recorded in Book 5 of Plats, Page 58, records of Bonner County, Idaho.

PARCEL 3:

A tract of land in the East half of the Northeast quarter of the Southwest quarter and the Northwest quarter of the Southeast quarter of Section 36, Township 58 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, more particularly described as follows:

Beginning at the Southeast corner of the East half of the Northeast quarter of the Southwest quarter of said Section 36;

Thence along the South line of the East half of the Northeast quarter of the Southwest quarter, North 89° 36'27" West, 661.51 feet (record = North 89° 37'10" West, 661.57 feet to the Southwest corner of the East half of the Northeast quarter of the Southwest quarter;

Thence along the West line of the East half of the Northeast quarter of the Southwest quarter, North 00° 10'22" East 856.45 feet (record = North 00° 09'25" East, 856.45 feet);

Thence North 89° 10'53" East, 30.21 feet (record = East, 29.58 feet) to the Westerly right of way of Berry Drive (shown as Olympic Drive on the Second Addition Plat to Hidden Lakes);

Thence Southeasterly along said right of way the following six (6) courses:

1. on a non tangential curve to the left (radial bearing = North 87° 39'13" East) having a central angle of 36° 44'06" and a radius of 131.00 feet for an arc distance of 83.99 feet (record = 84.54 feet) (chord = South 20° 42'50" East, 82.56 feet - record = South 20° 37'27" East, 83.08 feet);

2. thence South 39° 04'53" East, 419.67 feet (record = South 39° 06'45" East, 419.68 feet);

3. thence on a curve to the left having a central angle of 11° 42'45" and a radius of 530.00 feet for an arc distance of 108.34 feet (chord = South 44° 56'16" East, 108.15 feet - record = South 44° 58'08" East, 108.16 feet);

4. thence South 50° 47'39" East, 69.68 feet (record = South 50° 49'31" East, 69.68 feet);

5. thence on a curve to the right having a central angle of 23° 42'51" and a radius of 970.00 feet, for an arc distance of 401.47 feet (chord = South 38° 56'14" East, 398.61 feet - record = South 38° 58'05" East 398.61 feet);

6. thence South 27° 04'48" East, 31.65 feet to the South line of the Northwest quarter of the Southeast quarter (record = South 27° 06'40" East, 30.77 feet);

3. thence on a curve to the left having a central angle of $22^{\circ} 29' 50''$ and a radius of 502.65 feet, for an arc distance of 197.36 feet (chord = South $09^{\circ} 07' 49''$ West, 196.10 feet)

4. thence South $02^{\circ} 07' 06''$ East, 157.81 feet to the Northerly right of way of State Highway No. 200;

thence along the highway right of way, South $77^{\circ} 42' 28''$ West, 72.14 feet (record = South $78^{\circ} 15' 06''$ West, 71.11 feet);

thence continuing along the Highway right of way, South $69^{\circ} 44' 57''$ West, 262.22 feet (record = South $69^{\circ} 43' 16''$ West, 261.65 feet) to the West line of the Southwest quarter of the Southeast quarter of said Section 36;

thence along the West line of the Southwest quarter of the Southeast quarter, North $00^{\circ} 08' 19''$ East, 1223.36 feet (record = North $00^{\circ} 07' 13''$ East, 1223.17 feet) to the point of beginning.

PARCEL 5:

That portion of the Southeast quarter of the Northeast quarter of Section 36, Township 58 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, lying West of the Lower Pack River Road,

EXCEPT the First Addition to Hidden Lakes Subdivision, according to the plat thereof, recorded in Book 4 of Plats, Page 161, record of Bonner County, Idaho.

SECTION C:

PARCEL 1:

All that portion of the Southeast Quarter in Section 36, Township 58 North, Range 1 West, Boise Meridian, Bonner County, Idaho, lying South of State Highway 200; and all that portion of Government Lot 4 in Section 31, Township 58 North, Range 1 East, Boise Meridian, Bonner County, Idaho, lying South of State Highway 200;

LESS the following described property:

A tract of land in the Southeast quarter of Section 36, Township 58 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, being that property described in Instrument No. 92981, records of Bonner County, Idaho and more particularly described as follows:

Commencing at the Southeast corner of said Section 36;

Thence along the East line of Section 36, North $00^{\circ} 08' 06''$ East, 460.00 feet;

Thence perpendicular to the East line of the Section, North $89^{\circ} 51' 54''$ West, 568.00 feet to the true point of beginning;

Thence South $47^{\circ} 08' 06''$ West, 250.00 feet;

Thence South $42^{\circ} 51' 54''$ East, 348.50 feet;

Thence North $47^{\circ} 48' 06''$ East, 250.00 feet;

Thence North $42^{\circ} 51' 54''$ West, 348.50 feet to the true point of beginning.

AND

All that portion of Government Lots 2, 3, 4, 5, 6, 7, 8 and 9; the Southwest quarter of the Northeast quarter; and the South half of the Northwest quarter of Section 2, Township 57 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, lying South of State Highway No. 200 and lying North and East of the Northern Pacific Railroad (now Montana Rail Link) right of way.

LESS that portion of Section 2, Township 57 North, Range 1 West of the Boise Meridian, Bonner County, Idaho; being that property described in Instrument No. 592059 and more particularly described as follows:

Beginning at a right of way monument on the South right of way of State Highway No. 200, from which the Northwest corner of said Section 2 bears North 25° 54' 43" West, 798.00 feet (record = North 26° 28' 08" West, 798.11 feet;

Thence along the South right of way of the Highway, North 68° 35' 39" East, 266.10 feet;

Thence continuing along the Highway right of way, on a curve to the left (radial bearing = North 14° 03' 28" West) having a central angle of 00° 08' 55" and a radius of 5799.58 feet for an arc distance of 15.03 feet (chord = North 75° 52' 05" East, 15.03 feet - total distance along right of way from point of beginning = 281.13 feet - record = 281.13 feet);

thence leaving said right of way South 00° 04' 10" West, 725.53 feet;

Thence North 89° 14' 40" West, 330.00 feet;

Thence North 00° 03' 26" West 607.20 feet, to the Southerly right of way of State Highway No. 200;

Thence along said right of way North 79° 11' 55" East, 70.38 feet to the true point of beginning.

LESS a tract of land located in Section 36, Township 58 North, Range 1 West and Section 2, Township 57 North, Range 1 West of the Boise Meridian, Bonner County, Idaho; being a portion of that property described in Instrument No. 464572 and more particularly described as follows:

Beginning at a point that is North 80° 05' 57" East 386.02 feet from the South quarter of said Section 36, said point also being at the intersection of the South right of way of State Highway No. 200 and the East right of way of the Old County Road;

Thence South 05° 14' 00" East along the East right of way of the Old County Road, 171.80 feet;

Thence continuing South 14° 35' 50" East along said East right of way, 254.70 feet to the intersection with the North right of way of Old Highway 200 (FAP No. 95F);

Thence North 72° 38' 24" East along said North right of way, 372.40 feet;

Thence continuing along said North right of way, North 72° 58' 33" East, 336.00 feet to the intersection with the West high bank of Dry Creek;

Thence Northeasterly along said West high bank, a distance of 578 feet, more or less, to the intersection with the South right of way of State Highway No. 200;

Thence Westerly along said South right of way the following six (6) courses:

1. around a curve to the left with a radius of 2643.37 feet, a distance of 48.44 feet (chord = South 88° 02' 31" West, 48.43 feet);
2. North 79° 07' 52" West, 100.50 feet;
3. around a curve to the left with a radius of 2668.37 feet for a distance of 247.30 feet (chord = South 82°

54'00" West, 247.24 feet);

4. along a spiral curve (South = $02^{\circ} 12' 18''$), a distance of 207.68 feet (chord = South $70^{\circ} 27' 12''$ West, 207.67 feet);

5. South $69^{\circ} 43' 21''$ West, 328.60 feet;

6. South $61^{\circ} 11' 30''$ West, 119.79 feet to the point of beginning.

TOGETHER WITH any portion of the old highway right of way abandonment described in that certain Quitclaim Deed, executed by the State of Idaho, as Instrument No. 696025 and recorded on January 11, 2006, and lying within the bounds of the above described property.

AND

Government Lots 5, 9, 10 and 11; the Southeast quarter of the Northwest quarter; the East half of the Southwest quarter; and Government Lot 6, all in Section 6, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho.

LESS that property described in Instrument No. 22533, records of Bonner County, Idaho, and described as follows:

Beginning at the North quarter corner of said Section 6, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho;

Thence South 1669.70 feet to Pack River and the True Point of Beginning;

Thence South $66^{\circ} 47'$ West, 203 feet;

Thence South $69^{\circ} 54'$ West 165.3 feet;

Thence South $79^{\circ} 56'$ West, 242.5 feet;

Thence South $01^{\circ} 11'$ East, 146 feet;

Thence South $25^{\circ} 18'$ East, 118.20 feet;

Thence South $54^{\circ} 29'$ East, 137.2 feet;

Thence South $68^{\circ} 10'$ East, 267.1 feet;

Thence North 535.6 feet to a point 1669.7 feet South of the North quarter corner of Section 6.

LESS a tract of land in Government Lot 6 and the Southeast quarter of the Northwest quarter of Section 6, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, being that property identified as Tract No. Q-1755-2 in Instrument No. 42975 and more particularly described as follows:

Beginning at a point on the Southerly right of way of State Highway No. 200 which is South $55^{\circ} 03' 21''$ East, 2460.29 feet from the Northwest corner of said Section 6 (record = South $55^{\circ} 14'$ East, 2451.3);

Thence South $14^{\circ} 53' 00''$ East, 223.22 feet (record);

Thence South $04^{\circ} 43' 00''$ East, 640.00 feet (record);

Thence South $39^{\circ} 48' 00''$ East, 430.00 feet (record);

Thence South 30° 28'00" East, 387.49 feet (record = 500 feet plus or minus) to the East line of the Southeast quarter of the Northwest quarter of said Section 6.

TOGETHER WITH any portion of the Old Highway right of way abandonment described in that certain Quitclaim Deed, executed by the State of Idaho, as Instrument No. 696025 and recorded on January 11, 2006, lying within the bounds of the above described property

EXCEPTING therefrom all of the above described properties, any portion lying within the bounds of the following Plats:

Replat of Golden Tee Estates and Golden Tee Estates 1st Addition and unplatted land, recorded in Book 8 of Plats, Page 77,

Golden Tee Estates- 2nd Addition, recorded in Book 8 of Plats, Page 79

Golden Tee Estates - 3rd Addition, recorded in Book 8 of Plats, Page 78,

Golden Tee Estates - 4th Addition, recorded in Book 8 of Plats, Page 80,

Golden Tee Estates - 5th Addition, recorded in Book 8 of Plats, Page 81 and Golden Tee Estates- 6th, recorded in Book 8 of Plats, Page 82

PARCEL 2:

Lots 1, 2, 4, 5, 6, 7, 8, 9 and 10, Block 1; Lots 1, 2, 3, 4, 5, 7, 8, 9 and 10, Block 2; Lots 1, 2, 3, 6, and 10, Block 3 of Golden Tee Estates 2nd Addition according to the Plat thereof, recorded in Book 8 of Plats, Page 79, records of Bonner County, Idaho and

Lots 1, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17 Block 1; Lot 1, Block 2; Lots 1, 2, 3, 4, 5, 6, 7 and 8, Block 3; Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 15, Block 4; Lots 1, 2, 7 and 8, Block 5; Lots 1, 2, 3, and 4, Block 6; Lots 3, 5, 6 and 10, Block 7; Lots 1, 2, 4, 5 and 6 Block 8; Lots 2, 3, 4 and 5, Block 9; Lots 6, and 8, Block 10; Lot 2 Block 11 of Golden Tee Estates 3rd Addition, according to the Plat thereof, recorded in Book 8 of Plats, Page 78, records of Bonner County, Idaho.

AND

Lots 1, 2, 3, 5, 6, 7 and 8, Block 1; Lots 2, and 5, Block 2; Lots 1, 2 and 3, Block 3; Lots 1, 2, 3, 4, 5, 6, 7, 8 and 9, Block 4; Lots 1, 4, 5, 6 and 7, Block 5 of Golden Tee Estates 4th Addition, according to the Plat thereof, recorded in Book 8 of Plats, Page 80, records of Bonner County, Idaho.

AND

Lots 1, 4, 5, 6, 7, 8 and 9, Block 1; Lots 1, 3, 5, 6, 7, 8, 9, 10 and 11, Block 2 of Golden Tee Estates 5th Addition, according to the Plat thereof, recorded in book 8 of Plats, Page 81 records of Bonner County, Idaho.

AND

Lots 2, 6, 7 and 8, block 1; Lots 1, 2, 3, 4 and 5, Block 2; Lot 1, Block 3; Lots 1, 2, 3, 4 and 5, Block 4; Lot 1, Block 5 of Golden Tee Estates 6th Addition, according to the Plat thereof, recorded in Book 8 of Plats, Page 82, records of Bonner County, Idaho.

SECTION D:

PARCEL 1:

That portion of the Southwest quarter of the Southwest quarter of Section 16, Township 57 North, Range 1 East, Boise Meridian, lying West of the State Highway No. 200 right of way and East of the Northern Pacific Railway right of way; and lying North of the North line of the following described tract:

Beginning at a point where the Section line between Sections 16 and 21, Township 57 North, Range 1 West, Boise Meridian, intersects the State Highway on the Westerly side as it now exists;

thence in a Northwesterly direction along the Westerly side of said Highway, 752 feet;

thence in a Southwesterly direction, 97 feet;

thence in a Southeasterly direction, 672 feet to the Section line between Sections 16 and 21;

thence East on said Section line between said Sections 16 and 21, 104.25 feet, more or less, to the place of beginning.

SAID parcel is now described as follows:

A tract of land situated in the Southwest quarter of the Southwest quarter of Section 16, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, lying Southwest of the right of way of State Highway No. 200 and Northeast of the right of way of Montana Rail Link Railway; being a portion of that property described as Parcel 1 of Instrument No. 168846 and more particularly described as follows:

Commencing at the intersection of the South line of the Southwest quarter of the Southwest quarter of Section 16 and the Northeasterly right of way of Montana Rail Link Railway which is South $88^{\circ} 10' 56''$ East, 944.95 feet from the Southwest corner of Section 16;

Thence leaving said South line and along said right of way North $23^{\circ} 38' 59''$ West, 672.00 feet to the true point of beginning;

Thence continuing along said right of way North $23^{\circ} 38' 59''$ West, 786.99 feet to the intersection with the North line of the Southwest quarter of the Southwest quarter;

Thence leaving said right of way and along said North line South $88^{\circ} 43' 23''$ East, 241.38 feet to the Westerly right of way of State Highway No. 200;

Thence leaving said North line and along said right of way the following four (4) courses:

on a non-tangential curve to the right having a central angle of $01^{\circ} 19' 25''$ (radial bearing = South $73^{\circ} 15' 16''$ West), a radius of 768.50 feet, for an arc length of 17.75 feet (chord = South $16^{\circ} 06' 41''$ East, 17.75 feet);

Thence along a line offset 50.00 feet Westerly of and parallel to a spiral curve (centerline $ls = 200$ feet, $a = 3.5$, $S = 7^{\circ}$) for a chord of South $10^{\circ} 43' 01''$ East 193.87 feet);

Thence South $08^{\circ} 25' 19''$ East, 86.06 feet;

Thence on a curve to the left having a central angle of $13^{\circ} 56' 48''$, a radius of 1482.53 feet, for an arc length of 360.87 feet (chord = South $15^{\circ} 23' 43''$ East, 359.98 feet);

Thence leaving said right of way South $44^{\circ} 37' 10''$ West, 106.45 feet (record = "Southwesterly 97 feet") to the true point of beginning.

PARCEL 2:

That part of the Southwest quarter of the Southwest quarter in Section 16, Township 57 North, Range 1 East of the Boise Meridian, lying South and West of the Burlington Northern Inc. Railway right of way and

Government Lot 5 in Section 17, Township 57 North, Range 1 East, of the Boise Meridian, save and excepting therefrom:

The South 350 feet of Government Lot 5 in said Section 17, and also that part of the Southwest quarter of the Southwest quarter in said Section 16 lying Westerly of said Burlington Northern Inc. right of way as now in use and described as follows:

Beginning at the Southwest corner of said Section 16;

thence North along the West Section line 350 feet;

thence East to the centerline of Trestle Creek;

thence Southeasterly along said centerline to the South line of Section 16;

thence West along the Section line 720 feet, more or less, to the point of beginning.

SAID parcel is now described as follows:

A tract of land situated in the Southwest quarter of the Southwest quarter of Section 16, lying Southwest of Montana Rail Link Railroad right of way and Government Lot 5 of Section 17, all in Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho; being a portion of that property described as Parcel 2 of Instrument No. 168846 and more particularly described as follows:

Beginning at the intersection of the South line of the Southwest quarter of the Southwest quarter of Section 16 and the Southwesterly right of way of Montana Rail Link Railway which is South 88° 10'56" East, 834.19 feet from the Southwest corner of Section 16;

Thence leaving said South line and along said right of way North 23° 38'59" West, 1457.84 feet to the intersection with the North line of the Southwest quarter of the Southwest quarter;

Thence leaving said right of way and along the North line of the Southwest quarter of the Southwest quarter, North 88° 43'23" West, 243.71 feet to the Northwest corner of the Southwest quarter of the Southwest quarter;

Thence along the North line of Government Lot 5 in Section 17, North 89° 23'45" West, 1223.84 feet to the meander line of Lake Pend Oreille, as defined by the original GLO Survey;

Thence leaving said North line and along said meander line the following two (2) course:

South 52° 55'48" East, 561.00 feet;

Thence South 37° 55'48" East, 798.96 feet to a point on a line lying 350.00 feet North of and parallel to the South line of the Southwest quarter of the Southwest quarter of Section 16;

Thence along said parallel line, South 88° 10'56" East, 281.27 feet to the West line of the said Southwest quarter of the Southwest quarter;

Thence continuing South 88° 10'56" East, 159.02 feet to the intersection with the centerline of Trestle Creek;

Thence along the centerline of Trestle Creek the following eight (8) courses:

South 52° 54'34" East, 63.58 feet;

Thence South 44° 37'26" East, 117.83 feet;

Thence South 42° 08'45" East, 77.28 feet;

Thence South 80° 05'07" East, 145.49 feet;

Thence South 55° 15'32" East, 86.34 feet;

Thence South 46° 56'31" East, 113.98 feet;

Thence South 75° 43'10" East, 58.83 feet;

Thence South 37° 48'28" East, 27.37 feet to the intersection with the South line of the Southwest quarter of the Southwest quarter;

Thence leaving said creek centerline and along said South line South 88° 10'56" East, 116.80 feet to the true point of beginning.

PARCEL 3:

A portion of the Northeast quarter of the Northwest quarter and Government Lot 1 of Section 21, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho, described as follows:

Beginning at a point where the South line of the Northeast quarter of the Northwest quarter of Section 21, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, intersects the West line of the Northern Pacific Railroad Company right of way;

thence 600 feet Northerly along said railroad right of way;

thence West to the meander line of lake;

thence 600 feet Southerly to the South line of Lot 1 of said Section 21;

thence East to the Point of Beginning.

SAID parcel is now described as follows:

A tract of land situated in the Northeast quarter of the Northwest quarter and Government Lot 1 of Section 21, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, more particularly described as follows:

Beginning at the intersection of the South line of the Northeast quarter of the Northwest quarter of Section 21 and the Westerly right of way of Montana Rail Link Railroad which is South 88° 55'48" East, 139.54 feet from the Southwest corner of said Northeast quarter of the Northwest quarter;

Thence leaving said South line and along said right of way the following two (2) courses:

On a non-tangential curve to the left having a central angle of 10° 44'25" (radial bearing = South 65° 01'49" West) a radius of 2664.79 feet, for an arc length of 499.53 feet (chord = North 30° 20'24" West, 498.80 feet);

Thence North 25° 10'12" West, 100.47 feet;

Thence leaving said right of way and parallel to the South line of Government Lot 1, North 88° 55'48" West, 936.05 feet to the meander line of Lake Pend Oreille as defined in the original GLO Survey;

Thence along said meander line the following two (2) courses:

South 14° 25'48" East, 271.54 feet;

Thence South 46° 40' 48" East, 378.00 feet to the intersection with the South line of Government Lot 1;

Thence along said South line South line South 88° 55' 48" East, 748.52 feet to the Southeast corner of Government Lot 1;

Thence along the South line of the Northeast quarter of the Northwest quarter, South 88° 55' 48" East, 139.54 feet to the true point of beginning.

SANDPOINT TITLE INSURANCE
FILED BY
2007 MAR 15 P 4: 33
MARIE SCOTT
BONNER COUNTY RECORDER
DEPUTY

Exhibit

"CC-E"

538

When Recorded Return to:

Sandpoint Title Insurance, Inc.
Nancy Albanese

4924 NA

768269

SANDPOINT TITLE INSURANCE
FILED BY
724831 2007 MAR 18 P 4:32
MARIE SCOTT
BONNER COUNTY RECORDER

**Partial Termination of Real Property Purchase and Sale Agreement and Partial
Termination of Memorandum of Real Property Purchase and Sale Agreement**

This Partial Termination of Real Property Purchase and Sale Agreement and Partial Termination of Memorandum of Real Property Purchase and Sale Agreement is made effective as of this 14th day of March, 2007, by and between North Idaho Resorts, LLC, an Idaho limited liability company ("Seller"), and Pend Oreille Bonner Development Holdings, Inc., a Nevada corporation ("Buyer"), for the purpose of providing record notice that Seller and Buyer have partially terminated that certain Real Property Purchase and Sale Agreement and that certain Memorandum of Real Property Purchase and Sale Agreement recorded in on June 19, 2006 in Instrument No. 706475, Official Records of Bonner County, Idaho only as to the real property described in See Exhibit "A" attached hereto and by this reference made a part hereof. The partial termination of the Real Property Purchase and Sale Agreement and Memorandum of Real Property Purchase and Sale Agreement shall be recorded in Official Records of Bonner County, Idaho.

IN WITNESS WHEREOF, the parties have caused this Partial Termination of Real Property Purchase and Sale Agreement and Partial Termination of Memorandum of Real Property Purchase and Sale Agreement to become effective as of the day and year first above written.

Seller:

THIS DOCUMENT IS BEING RE-RECORDED TO
CORRECT THE LEGAL DESCRIPTION.

North Idaho Resorts, LLC
an Idaho limited liability company

By: Vilelli Enterprises Inc., a California corporation
Its: Managing Member

By: Richard A. Vilelli
Richard A. Vilelli
Its: President

Buyer:

Pend Oreille Bonner Development Holdings, Inc.
a Nevada corporation

By: Charles W. Reeves
Charles W. Reeves
Its: President

FILED BY
SANDPOINT TITLE INSURANCE
2007 MAR 11 P 4:02
MARIE SCOTT
BONNER COUNTY RECORDER
DEPUTY

Exhibit

"CC-E"

STATE OF IDAHO)

) ss.

County of Bonner)

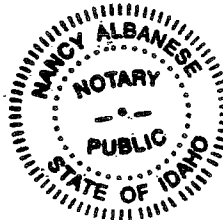
On this 16th day of March, 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared Richard A. Vilelli, known or identified to me to be the President of the Corporation that executed this instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that said Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public: Nancy Albanese

Residing at: Sandpoint

Commission expires: 1-3-11



STATE OF IDAHO)

) ss.

County of Bonner)

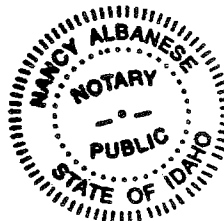
On this 14th day of March, 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared Charles W. Reeves, known or identified to me to be the President of the Corporation that executed this instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that said Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public: Nancy Albanese

Residing at: Sandpoint

Commission expires: 1-3-11



000001

Exhibit "A"
Legal Description

Lot 10A, Block 2; Lots 2A, 3A and 4A, Block 4; Lot 2A, Block 7; Lots 2A and 3A, Block 9; Lot 1B, Block 10, of The Replat of Golden Tee Estates and Golden Tee Estates 1st Addition, according to the Plat thereof, recorded in Book 8 of Plats, Page 77, records of Bonner County, Idaho.